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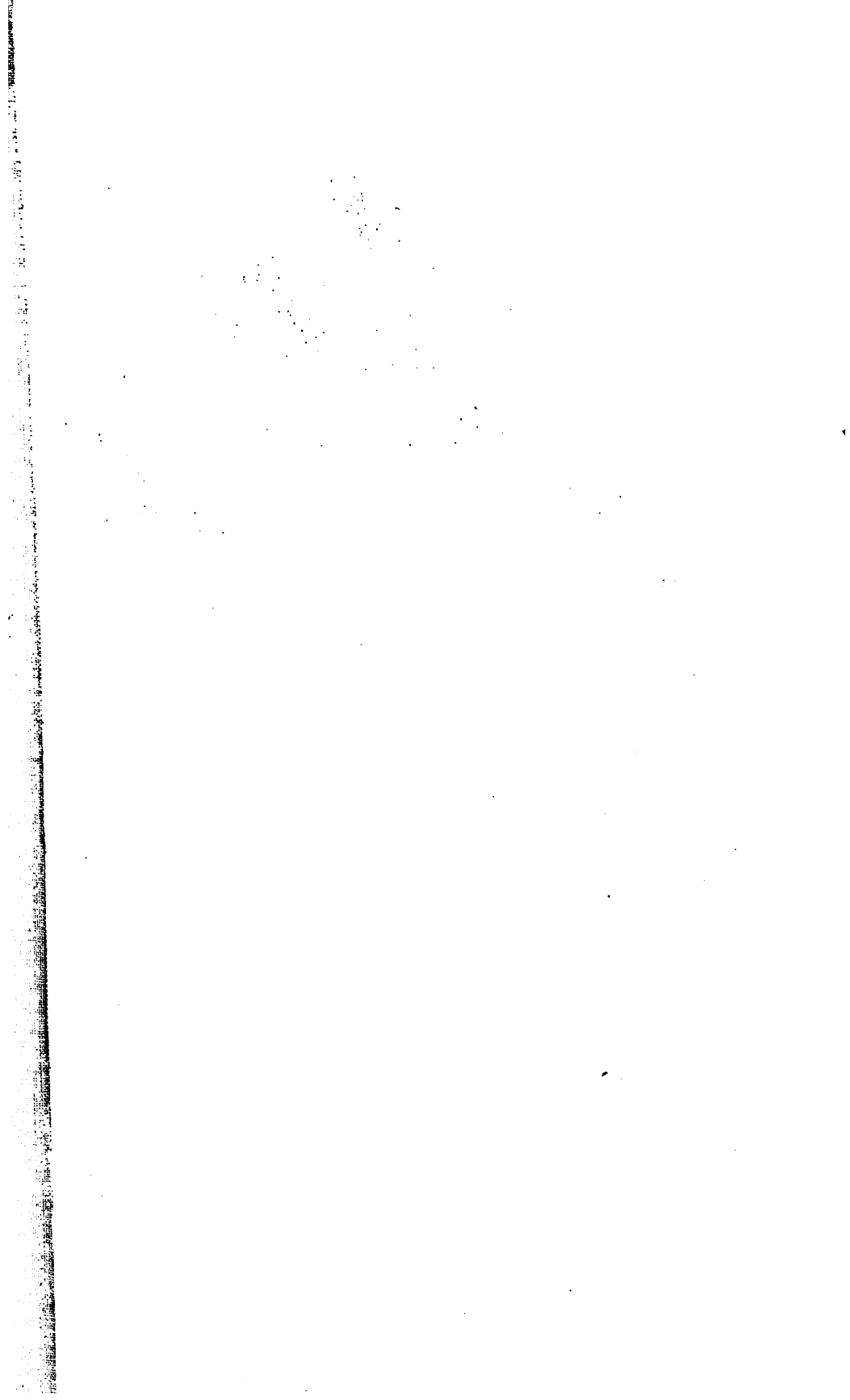
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DOUBLE-ENTRY ~~BOOK~~-KEEPING,

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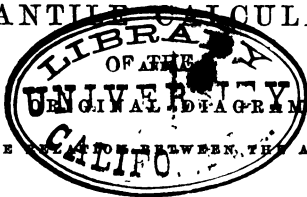
INFALLIBLE RULE FOR JOURNALIZING;

CALCULATED TO INSURE A COMPLETE KNOWLEDGE OF THE

THEORY AND PRACTICE OF ACCOUNTS:

BEING A SERIES OF WELL-SELECTED MERCANTILE TRANSACTIONS, SO ARRANGED AS TO
FORM A COMPLETE COURSE OF PRACTICE AND INSTRUCTION; DESIGNED FOR
THE USE OF SCHOOLS AND COUNTING-HOUSES IN THE UNITED STATES;
INCLUDING NUMEROUS EXAMPLES OF

MERCANTILE CALCULATIONS;



SHOWING THE RELATION BETWEEN THE ACCOUNT BOOKS.

By C. C. MARSH, ACCOUNTANT,

AUTHOR OF "THE THEORY AND PRACTICE OF BANK BOOK-KEEPING AND JOINT-STOCK ACCOUNTS;"
"SINGLE-ENTRY BOOK-KEEPING IMPROVED," ETC.

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M.DCCC.LX.

*Frank
San Francisco*

Entered according to Act of Congress, in the year 1858,
By C. C. MARSH,
in the Clerk's Office of the District Court of the United States, in and for the Southern
District of New York.

27407

San Francisco

Letter Book
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LLP

HF5633
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1858

THIS VOLUME IS RESPECTFULLY

DEDICATED

TO THE

CLERKS,

THE FUTURE MERCHANTS-OF THE UNITED STATES,

WHOSE INTEGRITY AND ASSIDUITY IN THE PERFORMANCE OF THEIR DUTIES, HAVE

LONG BEEN WITNESSED AND ADMIRER

BY THE AUTHOR.

San Francisco

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Preface PREFACE.

THE increase of the trade and Commerce of the United States, consequent on the increase of population, manufactories, and Agriculture, and the universal confidence reposed in our political institutions, have called into requisition renewed efforts in every department of science and literature. Twenty years ago, when the book which is the basis of this, was first published, works on book-keeping were not as common, nor so much in demand, as they are at present. Then, two were supplicating for public patronage; now, more than a dozen contend for public favor: then, book-keeping was little thought of as a branch of education; now, great exertions are made to render a practical as well as theoretical knowledge of the science attainable by study and instruction.

There are, perhaps, no people on the earth who have more necessity for skill and method in arranging accounts, than those of the United States. Here a most wonderful credit system prevails. It is infused throughout all kinds of business, from the largest commercial establishment to the smallest retail shop—from the emporiums of the cities and towns to the remotest trading house on the confines of civilization. All classes of society, and people of all occupations, participate in it—the farmer, the mechanic, the rich man and the poor. It animates the adventurer, inspires the enterprising, encourages the industrious, and establishes the emigrant in the west. It fortifies the farmer and planter for a year's toil, and transports the products of their labor to a market. Such a system of doing business is as much the offspring of confidence and good will in man toward his fellow-man, as of capital. I truly believe that no people buy as much, consume as much, and pay for as much, as the people of these States. No one here thinks of hoarding money, and few are satisfied to live as they have lived, or to go on as they began; but as soon as they possess any means above their immediate necessities, everything about them is improved, enlarged, and even beautified. Thus it would seem that credit and capital are on a par, equally active and never at rest.

Book-keeping is so extensively required, that it becomes difficult to say who may not stand in need of the knowledge embraced under its name. No one, however, who has even distant expectations of being engaged or interested in mercantile affairs, manufactories, or in joint-stock companies, ought to omit to make that science a study. By this I do not mean that all should or can become book-keepers, but that those engaged in any kind of business, who possess capital or who control it, and those who make a profession of the law, should make themselves acquainted with its principles as a science, with the names and purposes of the common account books, with a systematic method of stating accounts, and with the various calculations belonging to them. Unless they do this, they can not read an account, much less understand one. Doct. Johnson says, in his preface to Ralt's Dictionary of Commerce, "Let no man enter into a large business while he is ignorant of regulating accounts; never let him imagine that any degree of natural abilities will supply this deficiency or preserve multi-

plicity of affairs from inextricable confusion." · Doct. Johnson was no book-keeper, but he knew enough of the nature of accounts to convince him that book-keeping was a science that required to be studied before it could be understood, and that the knowledge acquired by such study would be of inestimable value to the man engaged in business.

It may not become the author to descant on the merits of other works on the subject—that he thinks belongs to those who are more likely to look on all with an impartial eye ; but he may, he presumes, without offense to any, give his views on some of the different methods of teaching book-keeping. One of the more common presents the science to the student in such a form that he has nothing to do but to copy and commit to memory ; it furnishes him with a volume filled with account books and general rules, and appears to take for granted that to see the entries and operations, is to understand them.

Another essays to teach the science by an ingenious way of ruling the books, and by designating for what purpose are the different columns. This plan supposes that every one knows who are the debtors and creditors, what is to be charged and what credited, and therefore furnishes no instruction in reference thereto.

Another proposes to accomplish the object by teaching a theory and practice separately ; by this plan, the pupil begins the study at the Leger, and goes backward. In this method, I think it is asserted that you might as well head accounts in the Leger with the words "Red" and "Black," as to head them with those of *Dr.* and *Cr.* ; indicating that these words have not their usual significations when applied to book-keeping.

But the worst of all is, that these and most other methods teach that *one account is debtor to some other account* ; meaning that the accounts in the Leger owe to each other. Nothing, in my mind, can be more absurd than this ; for, although things may owe us, and we may owe them, *they can not owe each other.*—This is an error which relates directly to the theory, and contributes, in no small degree, to render the science inaccessible. Such a method of teaching leaves the party most interested entirely out of the business, and substitutes incomprehensible suppositions for simple realities. The truth is, not the accounts, but the objects which they represent, are the debtors ; and not debtors to each other, but debtors to the owner of the books. It is to this common error that may be attributed the deficiency of practical instruction in this branch.

I would not say that these methods are so bad that no one can learn by them, but that it is my humble opinion that the very faults and errors to which I have referred, have given rise to an opinion often expressed, viz., "that book-keeping can not be learned at school."

Book-keeping by double entry is undoubtedly a science, and not merely a collection of forms and arbitrary rules. Every operation in it being susceptible of rational exposition, there is no doubt that it can be taught with much better effect by pursuing a course more in accordance with the modern methods of teaching most branches. Arithmetic, for example, is much better taught than formerly, because it is more taught by reasoning and less by rules. The modern meth-

P R E F A C E .

od of teaching, I believe, is by experiment and example, rather than by rule and precept ; in it the practice and theory are united, but the theory follows, not precedes, the practice. A question is proposed, the operation is performed and explained, and then follow the principle and rule. This is the natural way ; and in this order, if I mistake not, have originated all the sciences—first the fact was discovered, and then a theory was made to account for it. Facts originate theory, and not theory facts.

This book does not profess to be a new system of keeping accounts, but an improved and more efficacious way of teaching the theory and practice of the art. Teaching book-keeping does not consist so much in explanations of the forms and purposes of the account books, as in expositions of mercantile transactions. To know what the Cash Book is for, and to know how to make an entry in it, are very different things—quite as different as knowing what a violin is for, and knowing how to play on one. The object should be to teach the science, and not merely a set of forms of account books, variable at the will of the book-keeper, and varying with the nature of the business to be recorded in them.

Journalizing is the scientific part of book-keeping ; by it is meant the correct determination of the objects and persons which, in business transactions, may be our true debtors and creditors. Without the skill to determine these, our knowledge of book-keeping amounts to nothing. No variation in the number, the forms, or the ruling of the account books, can afford any assistance to the learner in this part of the study. It is in this part of the science I claim to have made a great improvement, and to have reduced journalizing to a simple question of indebtedness. In most of the methods used, many rules are given to teach to journalize, or to distinguish the debtors and creditors that result from business transactions. But it is well known that these rules are all liable to exceptions, and the pupil encounters as much difficulty in understanding when to apply a rule and when not, as he would were he to study the science without rules ; that is, these rules, from their variety and exceptions, are more difficult to understand and apply, than the science with which they are connected. In this work, the all-important part of the science (journalizing,) is uniformly explained by ONE RULE. This rule is simple in its nature, invariable in its utility, and in its truth self-evident. It is a rule that directs the thoughts of the pupil to the real merits of a transaction—brings into action his interested feelings, invests his mind with practical ideas, and teaches him what will avail him in the business world. While the method of imparting a knowledge of accounts laid down in this work, and so arranged as to form a course of practice for the student to pass through, must, in the author's opinion, result in giving him a better practical knowledge, it will also be found to be the easiest on which to study or to teach.

A method of teaching any branch which encumbers it unnecessarily with rules, principles, and divisions, makes the head of the student that commits them to memory a mere box ; while the more modern (the inductive,) treats the pupil as a responsible and free agent. That instruction that is addressed to, and exercises the rational faculties, will be of service even though it should be erroneous ; for

Frank W. Miller.

the man that has been taught to use and to depend on his reason, is less liable to remain in error should he be in it, and less to get in when he is out.

The forms of the account books in this volume accord very well with those used in the United States ; and I consider them well calculated for exemplifying the practice of the science. There are, it is true, shorter methods of keeping books, which are sometimes used by experienced book-keepers ; but these short methods can not be adopted until one is master of the subject as a science, nor are they at all suitable to teach from—for, in studying, we require to see the art as a whole, and not in an abbreviated form. When the science is well understood, in connection with a good system or set of forms of account books, there will be no difficulty in understanding any variations in those forms, or any system of keeping books by double entry.

The plan of the book is this :—One part consists of a set of account books, filled with mercantile transactions, embracing all the variety likely to occur in the natural course of business, beginning with the simplest and advancing to the more complicated. All the important papers and calculations required by those transactions are preserved and explained, and bear corresponding dates, in the part of the book entitled *Forms and Calculations*.

The number of transactions composing the five months' business embraced in the account books, is about one hundred and fifty, which, extending into all kinds of business, are calculated to anticipate most, if not all, the cases likely to occur, and to furnish the pupil with enough practice in keeping books to develop the theory and to make him a book-keeper.

The first part of the book (about sixty pages,) is to serve as the teacher. In this part, all the operations, transactions, and entries, are fully and minutely explained ; and all those explanations bear dates corresponding with the matter in the account books. These instructions conduct the student, like a teacher, through a set of books—attending him while opening, keeping, balancing, closing, and re-opening the same, and in making his trial balances, account sales, accounts current, balance sheets, &c., &c.

My first work on this subject, written many years since, and which has passed through about twenty editions, is by no means abrogated, but forms the basis of this publication. It is re-written, enlarged, and improved, and embraces the result of the long experience of the author as an accountant and teacher of book-keeping. I have preserved all the most appropriate and useful examples of business, introduced others, and omitted those deemed too complicated to be of practical utility to the pupil. I have also given more examples in mercantile arithmetic, many of which have not before been published. The entries under date of May 30th will furnish the practical book-keeper, as well as the student, with forms for the making up of what are called monthly entries.

All of which is respectfully submitted to the patronage of the public by

THE AUTHOR.

NEW YORK, OCTOBER 1, 1858.

THE SCIENCE
OF
DOUBLE-ENTRY BOOK-KEEPING
SIMPLIFIED.



INTRODUCTION.

THE Science of Book-keeping by double entry teaches to record, systematically and free from error, the various transactions of business or of the mercantile profession, so that the merchant may know his pecuniary situation, be able to substantiate his claims and protect his property, and at dissolution may leave behind him such evidence as will enable his friends to understand his commercial relations and engagements, and to wind up his affairs in a manner satisfactory to all parties concerned. Book-keeping by double entry is that method of conducting the records of business and monetary affairs so that they will balance or prove themselves beyond a reasonable doubt; this entitles the method to a place among the sciences. The science has its origin in the condition in which man finds himself placed, of owing and being owed. The following theoretical principles relating to the common terms *debtor* and *creditor* are established by the practical requirements of the science.

PRINCIPLES.

- 1st, All that owe are not debtors, those alone that *owe us* are debtors.
- 2d, All that are owed are not creditors, those alone that *we owe* are creditors,
- 3d, No transaction is of value that does not give rise to a debtor or creditor.
- 4th, Values are measured in accounts by the common terms *dollars* and *cents*; as weight and quantity are measured by the terms pound, feet, yards, &c.
- 5th, The terms debtor (Dr.) and creditor (Cr.) extend in their application not only to persons and parties, but apply also to *objects* and *causes*.
- 6th, The party to any transaction cannot owe without being owed, and cannot be owed without owing.
- 7th, The sum of the values attached to the debtors, and that of the values attached to the creditors, must equal or balance at all times.

To weigh a business transaction in the mind, to comprehend its import and value, to perceive its points, and to be able to determine on the true *debtors* and *creditors* which arise therefrom, and to affix to each the sum it justly owes or is owed, is termed *journalizing*; in this consists the theory of the science. While the practice, which must accord with the theory, requires a judicious arrangement of the details of business, appropriate forms of account books, and a simple and clear style in stating the transactions.

To exhibit with clearness and regularity a correct and continued record of the mercantile transactions that occur between ourselves and others, we deem it necessary to introduce the following books :—

- | | | |
|---------------------------|---------------|--------------|
| 1. INVOICE BOOK, | 5. BILL BOOK, | } Principal. |
| 2. SALES BOOK, | 6. DAY BOOK, | |
| 3. CASH BOOK, | 7. JOURNAL, | |
| 4. COMMISSION SALES BOOK. | 8. LEGER. | |

Of these books, the Cash Book, Sales Book, Day Book, Journal, and Leger, appear to be indispensable in all houses ; while the others may or may not be required. If no promissory notes are given or received, there would be no occasion for the Bill Book ; and if the bills of purchases or invoices were filed away with care, the Invoice Book might be dispensed with.

INVOICE BOOK.—This book should contain a minute description of all the merchandise with which we are concerned—all that we buy or receive. Entries in this book consist merely of copies of the bills or invoices of goods bought, or received to be sold on commission. The original bills and invoices should be preserved with care.

SALES BOOK.—This book should give a description of all the merchandise we sell, or which passes out of our possession. At the time the purchaser selects his goods, they are described in the Sales Book—quantity, quality, and price ; and from this book we make out his bill. In this order we may render a second or third bill exactly like the first.

CASH BOOK.—This book shows all the sums of money which we pay or receive, with a short explanation relating to each sum. The entries in this book are made at the time of paying or receiving the money.

In a business where there are many sums received and paid, this book should be balanced daily ; which is done by adding both pages (Dr. and Cr.,) and subtracting the total paid from the total received, and the difference will be the “balance on hand.” This balance should agree with the money itself.

COMMISSION SALES BOOK.—This book shows the particulars of merchandise sold by us for others. Entries are made in this book from the common Sales Book, and from it we make the *Accounts of Sales* that we may have to remit to those for whom we have sold.

BILL BOOK.—This book shows a description of all the notes or acceptances in our favor or against us, with their dates, credits, when due, and amounts.—Those in our favor are entered under the head of *Receivable*, and those against us under *Payable*.

DAY BOOK.—This book shows a clear, simple, complete, and brief relation of *all* the transactions of our business. The greater part of the entries in this book are taken or composed from the Invoice Book, Sales Book, and Cash Book. The Day Book may be considered the most important of all the books, as it gives us a complete history of our business.

JOURNAL.—This book shows the names of the debtors and creditors of all the transactions recorded in the Day Book, for the purpose of transferring the same from the Day Book to the Leger. All the *science* of Book-keeping is embraced in the Journal.

LEGER.—This book shows the accounts of all our debtors and creditors.—The entries in this book are drawn from the Journal. The great and only object of this book is to show the result of our business with every person, property, and object. Every sum that any individual or object may owe us, or we may owe him, from the beginning of the business to the present time, will be found under its proper head in this book.



We are taught, in this science, to look beyond persons for our debtors and creditors, and to recognise them in things and objects. The common definition of the word *debtor*, is the person that owes ; but in book-keeping, the definition is the person, party, object, or cause which owes us. The common definition of *creditor*, is the person who is owed ; but in the science it is the person, party, object, or cause which we owe. The course of reasoning which authorises this application of the terms of debtor and creditor to objects as well as to persons, is this :—we do not hesitate to call a person debtor when he owes us, merely because we are accustomed to do so ; but cannot a class of property owe us as well as a person ? Suppose we buy a ship for the sum of \$25,000, does not the ship owe us that sum, and shall she not be called a debtor for the sum she owes us ? Again, suppose the said ship to produce us for freight the sum of \$500, can we not perceive that *we owe her* the value she has produced or given us ? and owing her, is she not our creditor ? If a person were to produce us that sum, we would owe him ; why not owe the property ? The act is the same and the effect should correspond. If you think we do not owe the vessel because we shall not have to pay it, you may think the same of the person ; we may never pay him, yet still he is our creditor. To limit the application of the term creditor to such only as we must pay, would be to abandon its use ; for who can foresee who will or will not pay ? It is enough to know that *we owe* that which produces us the value, returnable or not.

Before we commence the explanation of the business and entries embraced under date of January, let us refer to the technical form in which the debtors and creditors generally appear. Let us suppose that we buy of Brown & Co. 50 Boxes of Sugar, and pay for the same in Cash \$2,000 ; now what debtors and creditors result from this operation ? We reason thus : Merchandise (the Sugar) *owes us* the sum it has cost us—the value we have invested in it ; Merchandise is therefore our Debtor. Now what do we owe ? We do not owe Brown & Co., because we paid them ; did we ourselves pay them for the Sugar ? No ! It was Cash that paid for the Sugar for us. Then we owe to that class of property called Cash, and it is our Creditor. We may now write

Merchandise	Dr.	for \$2,000 00
Cash	Cr.	for \$2,000 00

Or, expressed in the *technical form*, meaning exactly the same,

Merchandise		\$
To Cash		\$2,000 00

This form gives the name of both the debtor and creditor without using the word "Cr." ; and it consists of the following abbreviated sentences ; thus :

Merchandise	Dr.	to us for	\$2,000 00
We are Dr. To Cash		for	\$2,000 00

Saying that "*we are Dr. to Cash*" is equivalent to saying "*Cash Cr.*"; while omitting the words in italics, leaves merely the names of the debtors and creditors as they appear in the preceding arrangement.

In like manner Real Estate, Stocks, Goods, and all classes of property, and names or titles expressive of causes and effects, which cause expenditure, or produce value, become subject to the terms "*Dr. and Cr.*," because they owe us for the value we invest in, or expend on them; and we owe them for the value they produce, or give us. By this simple, just, and correct method of viewing and treating monetary and business affairs, a most complete and admirable balancing system of keeping accounts has been invented—the system of Double Entry—one which constantly preserves an even balance between the debtor and creditor values, and presents to our view all that we can desire to know relative to our ASSETS and LIABILITIES, and our PROFITS and LOSSES.

In order to render that part of the science commonly considered difficult, simple, positive, and rational, and to conduct the mind of the reader or student into its true elements, securing, at every degree of advancement, a clear understanding of what is termed journalizing, we cannot recommend a too close observance of the *one and only rule needful*. This rule originates thus:—

Book-keeping, or the science of accounts, is a systematic exhibition of all that is *owed us*, and all that *we owe*. These are our Creditors, and those our Debtors; hence arises a rule, infallible in its application, and in its truth self-evident.

INFALLIBLE RULE IN JOURNALIZING.

Whoever or whatever *owes us* is Debtor.....Dr.

Whoever or whatever *we owe* is Creditor.....Cr.

Or, in other words—

Debit whatever *owes us*; and

Credit whatever *we owe*.

Or, we may resolve the rule into the following simple questions:—

What Person or Object *owes us*? For that alone is the.....Dr.

What Person or Object *do we owe*? For that alone is the.....Cr.

NOTE.—There is a discrimination in the sentences of this rule, not at once perceived by all readers. Every mercantile transaction contains many more debtors and creditors than we are directly concerned with. For instance, in the simple transaction of buying merchandise, there are four debtors and creditors from which we have to choose in making a Journal entry: 1st. Merchandise is a debtor, because it owes us for its cost; 2d. We are debtor, because we owe the person of whom we bought; 3d. Merchandise is creditor, because the person who sold it owes it for the value it produced him; 4th. The person we bought of is creditor, because we owe him. Here, then, we find two debtors and two creditors arising out of this little transaction; but the debtors and creditors of the rule are *those only that owe us*, and *those only that we owe*, however many more there may be.

RULES FOR ORIGINAL ENTRIES.

- 1, When you buy goods—Copy the bill in the Invoice Book.
- 2, When you sell goods—Describe the articles sold in the Sales Book.
- 3, When you receive money—Make an entry in the Cash Book.

- 4, When you pay money—Make an entry in the Cash Book.
- 5, When you receive a note—Make an entry in the Bill Book.
- 6, When you give a note—Make an entry in the Bill Book.
- 7, When you accept a draft—Make an entry in the Bill Book.
- 8, When you draw a draft—Make an entry in the Day Book.
- 9, When you write a letter—Make a copy of it in the Letter Book.
- 10, When you sell goods on commission—Make entries in the Sales Book and the Commission Sales Book.
- 11, All your business transactions—Record in the Day Book, and
- 12, In composing your Day Book records—State briefly, but clearly, what you have done, rather than what was done by the other party to the transaction.

NOTE.—The explanation of business transactions, and the entries they require in the Journal and other account books, will be found on the following pages. The reader need not look in the Day Book, Journal, or Leger, for instruction, because those books give the business that is supposed to occur, and not the instruction. By this arrangement, the student will derive the advantage of knowing which part of the volume is to serve as his teacher, and which part he is to learn or be taught.

THE BUSINESS OF JANUARY.

Embracing Entries of twenty-six Transactions, relating to—Entering into Partnership—Advancing Capital—Assuming Partner's Debts—Simple Purchases and Sales—Simple Receipts and Payments—Loans on Notes and Interest—Receiving and Delivering Notes—Paying our Notes.

THE DAY BOOK commences with a statement of the situation of the party or parties entering into business—what capital they possess, and what it consists of; what they owe and how they owe it. In making Day Book entries, or recording a transaction in the Day Book, we do not say who is debtor or who is creditor, because this belongs to the Journal.

The capital being advanced—that is, the money deposited in the banks and entered in the Cash Book—the notes described in the Bill Book, (a copy of these particular notes will be found at the end of the Bill Book,) the inventory of merchandise copied in the Invoice Book, and the articles of agreement signed and exchanged, we make an entry in the Day Book similar to that which appears in said book under date of January 5, 1858.

The Journal commences with an entry formed from the first one in the Day Book. The entry consists of a deduction made from the transaction consisting of the names of those objects that *owe us*, or those that *we owe*, for the purpose of conveying the same to the Leger. These Journal entries are made by the application of *the rule*, thus: Read the transaction in the Day Book carefully, and endeavor to find—

Who or what owes us, and write that as.....Dr.

Whom or what we owe, and write that as.....Cr.

DAY BOOK—JANUARY 5.

The first entry in the Day-Book requires entries in the Cash Book, Bill Book, and Invoice-Book, and gives the following entry for the Journal :—

JOURNAL—JANUARY 5.

Sundries	Dr.	To Sundries.
Cash	(is Dr. to the firm)	\$38,000 00
Bills Receivable	(is Dr. to the firm)	4,670 00
Merchandise	(is Dr. to the firm)	3,125 00
Charles Lawrence	(is Dr. to the firm)	140 00
		<hr/>
(The firm is Dr.)	To Thomas Blanchard	28,000 00
" "	To C. C. Marsh	17,935 00
		<hr/>
		45,935 00

ELUCIDATION OF THE PRECEDING JOURNAL ENTRY :—The words "*Sundries Dr. To Sundries*" are merely a preface to the debtors and creditors, indicating that there are more than one that owe us, and more than one that we owe.

In determining the debtors, we reason thus—Our capital is the sum of \$45,935. What class of property is our capital in? Ans. Our capital is in Cash, Notes, Merchandise, and a claim on an individual; now as our capital is in these objects, these objects *owe us*, and owing us, they must be our debtors.

Cash is debtor, because that class of property denominated *Cash owes us* for the amount of value we have in it—viz., \$38,000.

Bills Receivable are debtor, because the notes which we hold against different persons, *owe us* for the sums for which they are written or drawn—viz., \$4,670. Observe, it is not the persons who have given us these notes that owe us, but the notes themselves; our claim for the value consists in the possession of these notes. The title of *bills receivable* is applied to all paper claims in our favor, such as notes, drafts, &c.; but there is no necessity to give anything a title until we have determined that it *owes us*, or that we *owe it*.

Merchandise is debtor, because that property *owes us* for the value we have in it, which is \$3,125.

Charles Lawrence is debtor, because he *owes us* for the amount of a claim that we hold against him—\$140.

In determining the creditors we reason thus—We have a capital of \$45,935—to whom do we *owe* for that capital? Ans. We owe the parties who furnished it; these then are our creditors.

Thomas Blanchard, is creditor because the firm, Blanchard & March, *owes him* individually for the amount of capital he has contributed—\$28,000.

C. C. Marsh, for the same reason is creditor for the capital contributed by him; being \$17,935.

The sum total of the debtors should be extended into the last column, and should agree with the amount of the creditors also extended into the outer column.

The amount of the sums of the debtors, and that of the creditors, should always be equal in every Journal entry.

When an entry in the Day Book has been Journalized, or entered in the Journal, we place the page of the latter in the margin of the former, opposite the said entry, to indicate that it is passed to the Journal.

NOTE.—We make a distinction in the position of the debtors and creditors in the Journal entries, by placing the debtors close to the line on the left, and the creditors about an inch further to the right.

The preposition "To" is always placed before the names of the creditors, because the meaning is, that *we are Dr.* to those creditors; "*we are Dr.*" being words understood and not expressed.

DAY BOOK, 2D ENTRY OF JANUARY 5.

The transaction under this date in the Day Book requires entries in the Bill-Book of the Notes assumed, and gives the following debtors and creditors, or Journal entry:—

Sundries	Dr.	To Bills Payable..	\$2,310 00
Thomas Blanchard.....			\$1,080 00
C. C. Marsh.....			<u>1,230 00</u> 2,310 00

ELUCIDATION.—In this entry, as in the first, the debtors are prefaced by the word *Sundries*, there being more than one debtor.

Thomas Blanchard is debtor, because *he* individually *owes us* (the firm) for the amount of his note, which we have assumed.

C. C. Marsh is our debtor for the same reason.

The creditor in this entry is *Bills Payable*. It is so because *we owe the notes*; having assumed them; they now stand out against us as our own notes.

Bills Payable is a title given to notes and acceptances with our signature, in favor of others.

DAY BOOK—JANUARY 7.

The transaction of this date in the Day Book, requires also an entry in the Cash Book, and gives the following entry in the Journal:—

Store Fixtures	Dr.	\$300 00
To Cash.....		300 00

ELUCIDATION.—The store fixtures are a property which has cost us \$300, for which *it owes us*, and therefore is debtor. Cash is creditor, because *we owe that* property for paying the sum for us. For example, if John Sims had paid for the store fixtures for us, we would then owe him instead of Cash.

Observe, that when we write "Store Fixtures Dr. To Cash," we do not mean to say that the former owes to the latter, but that Store Fixtures are debtor to us and that we are debtor to Cash. If this Journal entry were written in full, it would read thus:—

Store Fixtures.....are.....	Dr. to us for.....	\$300 00
We are Dr....To Cash.....	for.....	300 00

Never forget that the words in italics, although never expressed, are always to be understood. Omitting these words, leaves the entry in its technical form, as it appears in the Journal.

DAY BOOK—JANUARY 8.

The transaction of this date in the Day Book requires also an entry in the Sales Book, and gives the following entry in the Journal :—

Paul Harris	Dr.	(to us)	\$325 00
(We are Dr.) To Merchandise.....			325 00

ELUCIDATION.—Paul Harris is debtor, because *he owes us* for the amount of the goods sold to him.

Merchandise is creditor, because *we owe that* class of property for having produced us, in this case, \$325. For the value that Merchandise has produced us, Harris is responsible.

We never see the word Cr. (creditor) in Journal entries. It is unnecessary, because the *debtors* being always named as such, it follows that the others must be the *creditors*; while saying "We are Dr." to an object or person, is equivalent to calling that object "Cr."

DAY BOOK—JANUARY 10.

The transaction of this date in the Day Book requires also entries in the Sales and Bill Books, and gives the following entry for the Journal :—

Bills Receivable	Dr. (to us)	\$500 00
(We are Dr.) To Merchandise.....		500 00

ELUCIDATION.—The promissory note of William Blakely, which we entitle Bills Receivable, is debtor, because *it owes us* for the value the merchandise has produced us—\$500.

Merchandise is creditor, because *we owe it* for producing us the sum of \$500. If a man had produced or given us \$500, we all would be willing to owe him, or credit him, for it; why not, then, acknowledge ourselves indebted to merchandise for what it produces?

DAY BOOK—JANUARY 12.

The transaction of this date in the Day Book requires also entries in the Sales and Cash Books, and gives the following entry for the Journal :—

Cash	is	Dr.	(to us for)	\$125 00
(We are Dr.) To Merchandise.....				125 00

ELUCIDATION.—Cash is debtor, because *it owes us* for the value that the merchandise has produced us, for that value is in the Cash. Cash is a property that owes us \$125 more, since the transaction occurred, than it did before.

Merchandise is creditor, because *we owe it* for producing us the \$125.

DAY BOOK—JANUARY 13.

The transaction of this date in the Day Book, requires also an entry in the Sales Book, and gives the following entry for the Journal :—

JOURNALIZING.

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Oliver Otis & Co.	Dr.	(to us)	\$2,000 00
(We are Dr.)....To Merchandise.....			2,000 00

ELUCIDATION.—Oliver Otis & Co. are debtors, because *they owe us* for the value of the goods we have sold them, and for which they have not yet paid.

The Merchandise is creditor, because *we owe it* for the value it has produced us, and for which value Otis & Co. are responsible.

DAY BOOK—JANUARY 14.

The transaction of this date in the Day Book, requires an entry in the Invoice Book, and gives the following entry for the Journal.

Merchandise	(is)	Dr.	(to us)	\$1,500 00
(We are Dr.) To Henry Austin.....				1,500 00

ELUCIDATION.—As the merchandise has cost us \$1,500, it must *owe us* that sum ; therefore it is debtor.

Henry Austin is creditor, because *we owe him* for the goods we have bought of him, for we did not pay him.

DAY BOOK—JANUARY 14. (2d. transaction of this date.)

The second transaction of this date in the Day Book requires also an entry in the Invoice Book and Cash Book, and gives the following entry in the Journal :—

Merchandise		Dr.	(to us)	\$800 00
(We are Dr.) To Cash.....				800 00

ELUCIDATION.—The goods we have bought are debtor, because *they owe us* for their cost—\$800.

We are debtor to Cash, because that article has paid Rogers & Bros. for us ; therefore Cash is the creditor, expressed as above.

NOTE—It is not exactly true to say that *we paid* Rogers & Bros. for the merchandise in the above transaction. We could not do it of ourselves ; we must employ some agent ; the agent in this case was Cash.

DAY BOOK—JANUARY 16.

The transaction of this date in the Day Book requires also entries in the Invoice, Sales, and Cash Books, (the entries in the Invoice and Sales Books will hereafter be supposed,) and gives the following entry for the Journal :—

Merchandise	is	Dr. (to us and we are Dr.) To Sundries...	\$3,200 00
(We are Dr.) To Cash.....			\$2,000 00
“ “ Merchandise.....			1,200 00 3,200 00

ELUCIDATION.—First, we always ask ourselves, *what owes us?* and we write down what we think owes us as the Dr.

The merchandise owes us, because it has cost us \$3,200 ; and *we owe* the Cash

for having paid \$2,000 for us toward the payment of \$3,200 ; and we owe to some other goods, likewise called merchandise, for having paid for the balance—being \$1,200. We find, then, in this transaction, one debtor and two creditors.

DAY BOOK—JANUARY 17.

The transaction of this date in the Day Book requires also an entry in the Cash Book, and gives the following entry for the Journal :—

James Truman	Dr.	(to us)	\$1,000 00
(We are Dr.) To Cash.....			1,000 00

ELUCIDATION.—Truman *owes us* for the amount we have lent him.

Cash is the creditor ; or, we owe to Cash for paying the amount to J. Truman for us.

DAY BOOK—JANUARY 19.

The transaction of this date in the Day Book requires also entries in the Bill and Cash Books, and gives the following entry for the Journal :—

Sundries	Dr. (to us and we)	To Oliver Otis & Co.	\$2,000 00
Bills Receivable.....are.....	Dr.....to us for....		\$1,000 00
Cash.....is.....	Dr.....to us for....		1,000 00 2,000 00

ELUCIDATION.—The word “Sundries,” as we have before said, is merely a preface to the debtors which are placed directly under it.

Bills Receivable *owe us* for part of the sum that Otis & Co. have paid us, and therefore that class of property is debtor.

Cash *owes us*, because we have received part of the sum that Otis & Co. owed, in cash—Otis & Co. pay us in that class of property called Cash.

NOTE.—When a person pays us what he owed, of course he must pay us in some class of property ; consequently, the property or thing in which he pays us, owes us the sum which the person owed. In this manner, we see how Bills Receivable and Cash owe us, and become debtors for the amount which Otis & Co. owed us before.

Otis & Co. are creditors, because we owe them for having paid us the sum they owed, and for which we had charged them, on a former date.

NOTE.—If we should think that we do not owe Otis & Co., because they have only paid us what they owed, still we must agree in this : that, as they have paid us \$2,000, they ought to be credited for that sum ; this amounts to the same as saying *we owe them*, for no one should be *credited* for what we do not owe him.

DAY BOOK—JANUARY 21.

The transaction of this date in the Day Book requires an entry in the Bill Book, and gives us the following entry for the Journal :—

Bills Receivable	Dr.	(to us)	\$325 00
(We are Dr.) To Paul Harris.....			325 00

ELUCIDATION.—The sum which Harris owed us is now owed to us by the note, which as a class of property we call Bills Receivable.

Harris having paid us what he owed, has made us responsible to him for the same sum ; for which we credit him, or for which we owe him. His account now balances, because we owe each other equal amounts.

DAY BOOK—JANUARY 22.

The transaction of this date in the Day Book requires also an entry in Cash Book, and gives the following entry for the Journal :—

Cash	Dr. (to us)	\$1,000 00
(We are Dr.) To James Truman.....		1,000 00

ELUCIDATION.—Cash *owes us*, because in this class of property we have received the sum that is paid us. Cash is always a debtor when we receive it.

James Truman is a creditor, because we owe him for the sum which he has paid or delivered to us.

NOTE.—It is very necessary to understand well the exact use and import of the words *debtor* and *creditor*, because the most important part of this science consists in being able to find with facility “who or what owe us,” and “to what or whom we owe,” in all mercantile transactions. A clear understanding of the more simple transactions will afford us great aid in disposing of the more complicated. For this reason we are so particular in explaining the simple entries of this month’s transactions.

DAY BOOK—JANUARY 22. (2d. transaction of this date).

The second transaction in the Day Book requires an entry in the Bill Book, and gives the following entry for the Journal :—

Henry Austin	(is) Dr. (to us for)	\$1,500 00
(We are Dr.) To Bills Payable.....	for.....	1,500 00

ELUCIDATION.—Having paid H. Austin what we owed him, he now *owes us* for the sum we owed him, which balances his account, or makes us owe each other equal amounts.

We owe to our note (which we call Bills Payable), because it has paid Austin for us ; or, because our note stands out against us, holding us responsible for the face of it—\$1,500.

NOTE.—It may appear strange to some, to say, in this transaction, that Austin *owes us* ; but he does, nevertheless, and it is proved thus : We owed Austin \$1,500, which will always appear on the credit side of his account in our books ; nothing should or can obliterate the transaction that made us owe him. Now, then, the only way we can settle this debt, is, not by getting out of his debt (because the fact of our owing him remains forever), but by getting him into our debt for the same amount ; therefore, when we pay him what we owe him, he owes us for the sum paid him, which makes us owe each other equally, and in this way the debt is adjusted.

All the sums on the credit side of an account in our Leger, are sums that we owe, and those on the debit, are sums owed to us. It is only the balance, or difference, which is to be paid.

JOURNALIZING.

DAY BOOK—JANUARY 24.

The transaction of this date in the Day Book requires also entries in the Cash Book and Sales Book, (entries of sales in the Sales Book and purchases in the Invoice Book will hereafter be supposed,) and gives the following entry for the Journal :—

Sundries	Dr.	To Merchandise..	\$410 00
S. H. Lovell.....			\$250 00
Cash.....			160 00 410 00

ELUCIDATION.—The “Sundries” (Lovell and Cash) *owe us*, because the amount that Merchandise has produced us is in them ; they are therefore debtors.

We are debtors to Merchandise, or, which is the same thing, Merchandise is our creditor, because we owe it for producing us \$410.

DAY BOOK—JANUARY 26.

ELUCIDATION.—Similar to that of the 24th.

DAY BOOK—JANUARY 28.

The transaction of this date in the Day Book requires also entries in the Bill Book and Cash Book, and gives the following entry for the Journal :—

Bills Receivable	Dr.	To Sundries..	\$2,121 00
To Cash.....			\$2,000 00
“ Interest.....			121 00 2,121 00

ELUCIDATION.—In this transaction we lend money on interest, and receive a note for the amount that will be due at the end of the year. The note is responsible to us for the amount ; the note owes us, and therefore it is debtor for the amount it is drawn for—\$2,121.

We say “To Sundries,” because we owe more than one—Cash and Interest.

Cash is creditor, because it has paid to J. Truman for us the \$2,000.

Interest is creditor, because we owe it for producing us the \$121 : this production is in the note. Interest is a branch of our Business. The name our business receives in our books is “*Profit and Loss* ;” Interest account is a branch of the Profit and Loss account.

NOTE.—This science renders susceptible of responsibility *things* as well as *persons* ; that is in the same manner that John Sims becomes our debtor or creditor, so may a bag of coffee, or a box of sugar. Our *Business*, which we entitle “*Profit and Loss*,” may also become our debtor or creditor, like Sims or the coffee. When it is in our favor, and produce us value, we owe it, and it becomes a creditor ; when it goes against us, and costs us, or makes us lose, it owes us, and it becomes a debtor.

DAY BOOK—JANUARY 30.

The transaction of this date in the Day Book requires also entries in the Cash Book and Bill Book, and gives the following entry for the Journal :—

Bills Payable

Dr.

To Cash.....\$1,230 00

ELUCIDATION.—The note now paid and cancelled, was issued by our partner, Mr. Marsh, before this partnership began, and it was assumed by us as our own, in the opening of the Books.

Bills Payable (the name we give to the note) is debtor, because it owes us, for we have paid it what we owed it. Had we paid a person what we owed him, he would be debtor: the note is to be treated as a person. It was not T. P. Cope that we owed; it was the note in whose ever hands it might have been.

We are debtor to Cash, or Cash is the creditor, because *we owe it* for paying the note, or the sum of the note for us. The entry required in the Bill Book is only in the column of "Remarks."

NOTE.—Balance now the Cash Book—the balance of Cash on hand at this date is \$33,205.

POSTING.

THE transactions of January having been Journalized—that is, prepared for the Leger—we will now begin to post. Posting is a very simple operation, being little more than copying from the Journal into the Leger. The object of posting is to enable us to find all concerning one thing or person, from the beginning of the business to the present, at one place, in one book—the Leger.

EXAMPLE.—Merchandise, we perceive, is concerned in most of our transactions, from the beginning to the end of our business; therefore, if we do not collect all relating to it at one place, we can not ascertain, without much difficulty, the amount we have bought or sold: or should we desire to know how much any person owes us, or we owe him, we would be obliged to examine the Day Book from the first page to the last; but when his account is posted, we have only to turn to a certain page appropriated to him in the Leger, where we shall find the result of all our transactions with him.

By the aid of the Journal, we deduce from every transaction in the Day Book all that *owes us*, and all that *we owe*, which is all that passes into the Leger. The Journal, therefore, serves to convey the *debtors* and *creditors* from the Day Book to the Leger.

NOTE.—To the Leger belongs an Index, which is often a part of the book; but it is more convenient to have it separate.

We now proceed to show the operation of posting—transferring the debtors and creditors, with their sums, from the Journal to the Leger—beginning with the first entry in the Journal.

POSTING.

JOURNAL—JANUARY 5.

Sundries	Dr.	To Sundries.
2 Cash.....		\$38,000 00
5 Bills Receivable.....		4,670 00
4 Merchandise.....		3,125 00
10 Charles Lawrence.....		140 00
		<hr/>
1 To Thomas Blanchard.....	28,000 00	
1 To C. C. Marsh.....	17,935 00	45,935 00
		<hr/>

TO POST THE ABOVE ENTRY.—As “*Sundries Dr. To Sundries*” is only a preface, the first thing that we see in the above entry is “Cash Dr. \$38,000.” Cash, therefore, is the first account to be opened in the Leger. We appropriate for it page 2, and write in the centre of the book (or page) the word “CASH,” and on the sides, the abbreviations, “Dr.” and “Cr.”

NOTE.—The term “Dr.” is always on the left, and the “Cr.” on the right.

Cash being a debtor in the above entry, we must make the entry on the *debtor* side of the account, thus: In the 1st and 2d columns, we write the date; in the 3d column, the preface of the other part of the Journal entry, which is, “To Sundries;” in the 4th column, the page of the Journal from which we take the entry; and in the 5th, the sum that cash owes us, being \$38,000. (*See the Cash account in the Leger, page 2.*) This done, place the folio of the Cash account against the word “Cash” in the Journal, to indicate that it is posted. Enter the title “Cash” in the Index.

So far, we have only posted the first debtor; the others, which are Bills Receivable, Merchandise, and C. Lawrence, we post in the same manner, in the order they come, but on separate pages.

We now pass to the creditors of the foregoing entry, the first of which is “Thomas Blanchard.” For him we open an account on page 1, by writing his name and the abbreviations “Dr.” and “Cr.” As he is a creditor in the entry, we must make the entry on the creditor side of the account; and in the 1st and 2d columns we write the date; in the 3d column, the preface of the other part of the Journal entry, “By Sundries;” in the 4th, the folio of the Journal; and in the 5th column, the amount—\$28,000. In the Journal, opposite his name, place the page of the Leger, to show that it is posted.

The other creditor, C. C. Marsh, is posted in the same manner.

As the Journal presents only four different forms of entry, it will be necessary to make only four distinct explanations to teach that part of the science called Posting. Having given one explanation, we proceed now to explain the manner of posting the second form of Journal entry.

JOURNAL—JANUARY 5. (2d. entry of this date.)

6 Sundries	Dr.	To Bills Payable.....	\$2,310 00
1 Thomas Blanchard.....		\$1,080 00	
1 C. C. Marsh.....		1,230 00	2,310 00
		<hr/>	

To POST THE ABOVE ENTRY.—Blanchard and Marsh being our debtors, in this entry for the sum in front of their names, we return to their accounts, already opened on page 1, and in the 1st and 2d columns, on the debtor side, we write the *date*; in the 3d column, the opposite part of the Journal entry, "To Bills Payable;" in the 4th, the folio of the Journal from which we take the sum; and in the 5th column we write the amounts—\$1,080, and \$1,230.

This done, we allot, for the account of "Bills Payable," folio 6, where we open it by writing, as before, its name and the abbreviations "Dr." and Cr." Bills Payable standing as creditor in the Journal entry for \$2,310, we make entry on the creditor side of the account, by writing in the first columns the date; in the 3d, the preface of the opposite part of the Journal entry, "By Sundries;" in the 4th column, the folio of the Journal from which we take the sum; in the 5th, the amount for which Bills Payable ought to be credited—\$2,310.

JOURNAL—JANUARY 7.

6 Store Fixtures	Dr.	
2 To Cash.....		\$300 00

To POST THE ABOVE ENTRY.—This entry varies from the others, because it consists of only one debtor and one creditor—the others have more. We open an account for the debtor (Store Fixtures) on folio 6, and write on the debtor side the date and "To Cash," the page of the Journal, "1," and the amount—" \$300." Cash, in the above entry, is the creditor; therefore we turn to the Cash account, already opened on folio 2, and write, on the creditor side, the date in the 1st and 2d columns, * "By Store Fixtures" in the 3d, the page of the Journal in the 4th, and the amount in the 5th—\$300. This done, the entry is posted.

We must never forget to place the folios of the accounts in the Leger against their names in the Journal, when they have passed into the Leger.

The following Journal entry, the last the posting of which requires explanation (all others being posted in the same manner as those already explained,) we find in the—

JOURNAL—JANUARY 16.

4 Merchandise	Dr.	To Sundries	\$3,200 00
2 To Cash.....			\$2,000 00
4 To Merchandise.....		1,200 00	3,200 00

To POST THE ABOVE ENTRY.—Turn to the account of Merchandise, folio 4, and on the debtor side write, as before, in the 1st and 2d columns, the date;

* NOTE.—The word "By" does not appear in the Journal entries, because the names of the debtors are always placed before the names of creditors. If their position was reversed, the *By* would appear, and not the *To*. If we make a Journal entry with the creditor first in order, the *form* would be different, but the *meaning* would be the same. Thus, in the entry of January 7—

Cash	Cr.	
By Store-Fixtures.....		\$300 00

This is the way the entry reads, when we post it into the Cash account in the Leger.

in the 3d, the preface of the opposite part of the Journal entry, "To Sundries;" in the 4th column, the page of the Journal; and in the last columns, the amount for which Merchandise ought to be charged or debited—\$3,200.

The creditors in the above entry are Cash and Merchandise, which are carried to the Leger by writing on their creditor sides—in the first two columns, the dates; in the 3d, the opposite part of the Journal entry, "By Merchandise;" in the 4th, the page of the Journal the entry comes from; and in the last columns, the amounts for which they should be credited.

In opening accounts in the Leger, we give to each a certain space, according to the business that we think we may have with the person or property; and we generally leave some forty or fifty of the beginning pages of the Leger, for private accounts, such as Cash, Merchandise, Bills Receivable, Bills Payable, Discount and Interest, Commission, Profit and Loss, &c.

Having Journalized and Posted the transactions, or entries, of the month of January, we will now proceed to make out a TRIAL BALANCE.

TRIAL BALANCE.

THE Trial Balance exhibits what is termed the face of the Leger; it is a collection of all the balances that appear in the Leger, presented in two columns; the debtor balances in one column, and the creditor balances in the other.

In proceeding to make the Trial Balance, first add and subtract the columns of every account in the Leger. Do this with a pencil, in small figures, setting the balance, or difference, on the side that is the larger. Next, we copy off the said balances of the accounts on a sheet of paper, ruled as below, putting the debtor balances, with their names, on the debtor side, and the creditor balances on the creditor side—in the following manner:—

TRIAL BALANCE.

25

DR.

BALANCES OF JANUARY 30, 1858.

CR.

2	Cash,*	\$33,205	00	1	T. Blanchard,...	\$26,920	00
4	Merchandise, ...	5,515	00	1	C. C. Marsh,....	16,705	00
5	Bills Receivable*	8,616	00	6	Bills Payable,*..	4,680	00
6	Store Fixtures,..	300	00	7	Discount & Int'st.	121	00
10	C. Lawrence, ...	140	00				
11	O. Otis & Co.,...	200	00				
12	S. H. Lovell, ...	250	00				
13	W. Blakeley, ...	200	00				
		48,426	00				
						48,426	00

* These three accounts—Cash, Bills Receivable, and Bills Payable, have their duplicates, that is to say, there are two Cash accounts, one in the Leger and one in the Cash Book ; those two accounts of the same class of property should correspond, i. e. should show the same balance. The Bills Receivable account in the Leger, has its duplicate in the Bill Book—the notes unpaid in this book should tally in amount with the balance of the account in the Leger. The Bills Payable account in the Leger, should also tally with the notes unpaid in the Bill Book. *It is very important to compare the duplicate accounts.*

If the entries in the Journal have been posted correctly to the Leger, and the additions and subtractions have been made correctly, the amounts of both columns will be equal. On the contrary, if the totals are not equal, it is certain evidence that there are errors, which we must endeavor to find and correct. Whatever may be the nature of the error, it may be found by referring to the Journal to ascertain if the *Sundries* in every entry, are added correctly, or equal to the amounts extended into the last column ; because if the sums of the debtors and creditors do not equal each other in each Journal entry, they can not be equal in the Leger. See, also, if all the sums have been posted, or carried to the Leger correctly ; and next, complete the examination by re-adding and re-subtracting all the accounts or columns, to ascertain if the balances are correct. If the first examination has not produced the result desired, it must be repeated until the debtor and creditor columns of the Trial Balance come out equal. When completed, fold it up, and endorse it, *Trial Balance of January 30, 1858.*

NOTE.—It will be well not to leave the Trial Balance in the counting-room, with the books, because, in case of fire, and the destruction of the Books, it would be almost as valuable to us as the books themselves.

JOURNALIZING.

The Trial Balance proves, beyond a reasonable doubt, the three following important operations, *but no other*, viz :—

- 1st. It proves that the sums are carried from the Journal to the Leger correctly.
- 2d. That the additions of the accounts in the Leger are correct ; also those in the Journal.
- 3d. That the balances (or differences) of the accounts in the Leger have been calculated correctly.

Of course, a Trial Balance does not prove Journalizing. The principal of the Trial Balance is this : In every Journal entry, the debtor and creditor sums equal each other ; therefore, if those same sums are transferred correctly to the Leger, it is evident that the debtor and creditor balances taken from the Leger, ought also to be equal, there being no other sums in the latter than those contained in the former, and whatever is debtor in the Journal is debtor in the Leger.

BUSINESS OF FEBRUARY.

Embracing Entries of twenty-four Transactions, relating to—Paying Notes before Due—Petty Expenses—Consigning—Shipping for account of others—Failure and Compromise—Importing Goods—Accepting Drafts—Drafts or Orders at Sight—Buying Vessels—Drawing Bills of Exchange—Bartering—Accommodation Notes—Discounting Notes—Insuring Shipments and Vessels.

THE RULE.

Every person or object that *owes us*, is debtor.....Dr.
 Every person or object that *we owe*, is creditor.....Cr.

Apply this rule, thus : Read and reflect well on the transaction expressed in the Day Book, and then endeavor to discover the answer to these questions :—

Who or what owes us ? And write the answer down as.....Dr.
 Whom or what do we owe ? And write the answer down as.....Cr.

DAY BOOK—FEBRUARY 2.

The transaction of this date in the Day Book requires also entries in the Cash Book, Sales Book, and Bill Book, and gives the following entry for the Journal :—

JOURNALIZING.

27

Bills Payable	(are)	Dr.	(to us)	\$1,080 00
(We are Dr.)	To Merchandise.....			\$550 00
"	"	"	Cash.....	525 32
"	"	"	Discount.....	4 68
				<hr/> 1,080 00

ELUCIDATION.—The note we now pay and cancel, was issued by Mr. Blanchard before this partnership commenced, and is one of those debts assumed by the firm ; consequently it became our note. (When we say *our notes*, we mean notes of which we are the authors, or which we have signed, and not notes belonging to us as our property.) The note, under the name of Bills Payable, is debtor, because it owes us, we having paid it what we owed it. Had we paid a person what we owed him, he would be debtor ; the note is debtor for the same reason.

Merchandise and Cash are creditors, because we owe them for contributing to pay our note for us.

We have an account called Discount and Interest, which we consider a branch of our business, and which we treat as an individual—making it debtor when it owes us, and creditor when we owe it. In this transaction, Discount paid a part of our note for us ; therefore we owe it, and it is a creditor for \$4,68 : Discount has produced us \$4,68.

NOTE.—The transactions of February are not as simple as those of January. If the reader finds it difficult to understand them, he had better rejournalize January before he proceeds with February.

DAY BOOK—FEBRUARY 2. (2d entry of this date.)

The second transaction of this date in the Day Book requires an entry in Cash Book, and gives the following entry in the Journal :—

Store Expenses	Dr.	
To Cash.....		\$65 00

ELUCIDATION.—The various incidental expenses of the store, such as rent, clerk-hire, advertising, fuel, gas, &c., form a branch of our business, which we call "Store Expenses."

Store Expenses are debtor, because they owe us what they have cost us. We are debtor to Cash for having paid the amount of those expenses for us ; therefore, that branch of our business called Store Expenses is the debtor, and Cash is the creditor.

DAY BOOK—FEBRUARY 4.

The transaction of this date in the Day Book requires also entries in the Cash Book, and Sales Book, and gives the following entry for the Journal :—

Shipment to New Orleans	Dr.	To Sundries.....	\$1,822 22
To Merchandise.....			\$1,722 22
"	Cash.....		100 00
			<hr/> 1,822 22

ELUCIDATION.—The property shipped in this transaction owes us for the amount it has cost us in its present situation, which is \$1,822.22. The consignees in

New Orleans do not owe us, because we have not sold the goods to them ; the goods are still ours, being merely sent to them to be sold for us. No one can owe us for anything which is ours ; there must be a change in the ownership.

We owe to Merchandise and Cash for having contributed their sums in making up the shipment. Enter the cash in the Cash Book.

When the property shipped belongs to us, we give it the title of "Shipment" to such a place, or "Consignment" to such a person.

The entry in the Sales Book would consist of a copy of the invoice sent to Lockhart & Arrott ; where shipments are frequent, a book is devoted to this purpose. It is called "*Invoice Outward*."

DAY BOOK—FEBRUARY 9.

The transaction of this date in the Day Book requires also an entry in the Cash Book, and gives the following entry for the Journal :—

Sundries	Dr.	To William Blakeley....	\$200 00
Cash.....			\$100 00
Profit and Loss.....			100 00 200 00

ELUCIDATION.—"Profit and Loss" is the name which our business receives in our books. Our business, in this transaction, goes against us, and causes our losing \$100 ; therefore it owes us, and consequently is debtor.

Cash is debtor, because in it W. Blakeley has paid us half the debt he owed. Enter the cash paid in the Cash Book.

W. Blakeley is creditor, because we owe him, he having paid us what he owed, and we having accepted half of his debt for the whole. The sum that Blakeley owed us before, Profit & Loss and Cash owe us now.

DAY BOOK—FEBRUARY 12.

The transaction of this date in the Day Book requires entries in Cash Book, Sales Book, and Bill Book, and gives the following entry for the Journal :—

Merchandise	Dr.	To Sundries.....	\$1,240 00
To Charles Lawrence.....			\$ 140 00
" Bill Receivable.....			1,000 00
" Cash.....			100 00 1,240 00

ELUCIDATION.—Merchandise has cost us \$1,240, for which it owes us ; and therefore it is debtor.

C. Lawrence is creditor, because we owe him for having drawn on him for \$140, which he will pay ; if not, the draft will be returned to us, and another entry will be required. We say nothing of the draft, because it is not in our favor, nor is it against us ; we do not owe it, nor does it owe us.

The note which we held against O. Otis & Co., and which owed us, has now paid us what it owed, it having paid for us part of Haven & Smith's bill ; therefore we owe the note under its former name, "Bills Receivable," and it is creditor. The Bill Book entry is in the column of "Remarks."

Cash is creditor, because we owe that species of property for paying the sum of \$100 for us toward this purchase.

DAY BOOK—FEBRUARY 12. (2d Entry of this date.)

The second transaction of this date in the Day Book requires an entry in the Bill Book under "Remarks," and gives the following entry for the Journal:—

William Blakeley	Dr.	
To Bills Receivable.....		\$500 00

ELUCIDATION.—Mr. Blakeley is debtor, because he owes us for the amount of his note which we hold against him, which is due and not paid.

The note is creditor, because its time having expired, it has paid us by giving us a new claim on its author, W. Blakeley.

NOTE.—When notes become due and remain unpaid, the best way is to charge their amounts to their drawers, or those who ought to pay them; for it is then that the parties owe us.—Before the notes were due, we could demand nothing of the persons; the notes alone were responsible, but after, the parties owe and may be sued.

DAY BOOK—FEBRUARY 13.

The transaction of this date in the Day Book gives the following entry in the Journal:—

Merchandise	Dr.	To Sundries.....	\$6,533 11
To Walter Howard.....			\$4,888 89
" Bills Payable.....			1,222 22
" Cash.....			422 00
			<hr/> 6,533 11

ELUCIDATION.—Merchandise owes us for the amount it has cost us, which consists of its first cost in London; the amount of duties, and the freight—the last two being paid here.

W. Howard is creditor, because we owe him for the amount of the goods he sends to us according to our request or order.

In changing the £1,100 sterling to dollars, the £1 is calculated at the old par value—\$4.44. We agree with many in thinking that a value nearer the true one should be used in transactions involving English money; but it is difficult to change a custom. The present par value of the pound sterling is \$4.84. (See calculations at the end of this book.)

Bills Payable are creditor, because we owe our notes which we have issued against us in payment of the duties: the notes pay the duties for us. Enter these in Bill Book.

NOTE.—Formerly, the revenue law allowed credit on duties, and notes or bonds were taken at the Custom houses; but the duty on imports is now payable in cash only.

To Cash we owe, because it has paid the freight and charges on the goods for us. Cash, therefore, is a creditor. Enter in Cash Book.

DAY BOOK—FEBRUARY 13. (2d Entry of this date).

The second transaction of this date in the Day Book requires entries in the Bill Book, and gives the following entry for the Journal :—

Sundries	Dr.	To Sundries.
Bills Receivable.....		\$251 37
Profit and Loss.....		250 00 \$501 37
To William Blakeley.....		500 00
" Interest.....		1 37 501 37

ELUCIDATION.—First, read the transaction carefully, with a view to find what *owes you* ; and whatever you think owes you, write it down as *Dr.** Then read again, to find what *you owe* ; and write that down as *Cr.*

The draft or order drawn on S. H. Lovell, and accepted (agreed to), owes us for the amount it shows on its face, including the \$1.37 for interest. Our claim for the \$251.37 consists in the draft, which must owe us until its time expires ; Lovell may then owe us, but he does not now. Enter the draft in the Bill Book.

Our business, under the name of *Profit and Loss*, owes us, because it has been the cause of the loss we have sustained in this settlement with W. Blakeley.

We owe to Interest, or Interest is a creditor, because that branch of our business has produced us \$1.37, which sum is included in the note.

Mr. Blakeley is creditor, because we owe him for paying us what he owed—the balance of his account, \$500. He has paid us in full, although we have received only half, because we have accepted that half for the whole ; he therefore must be credited for what he owed us.

DAY BOOK—FEBRUARY 16.

The transaction of this date in the Day-Book requires an entry in the Bill Book, and gives the following entry for the Journal :—

Walter Howard	Dr.	
To Bills Payable.....		\$4,444 44

ELUCIDATION.—In accepting this draft we become responsible for its amount ; therefore W. Howard owes us. To draw on us is to order us to pay a certain sum, and accepting the draft is agreeing to do so.

Bills Payable, the name given to the draft that we have accepted, are creditor, because we owe the draft which we have issued against us, and which we shall pay at its maturity, in whose ever possession it may be.

NOTE.—To accept a draft, is to write your name across its face. If the draft reads so many days after *sight*, the date should be with the signature, thus :—

" Accepted, February 16, 1850.

" BLANCHARD & MARSH."

DAY BOOK—FEBRUARY 17.

The transaction of this date in the Day Book requires entries in the Sales Book and Bill Book, and gives the following entry for the Journal :—



JOURNALIZING.

Bills Payable	Dr.	
To Merchandise.....		\$1,500 00

ELUCIDATION.—The note, in this transaction, was issued by us some time since, and held us responsible ; now we have paid it, it owes us, and becomes our debtor. Requires an entry in the Bill Book under “Remarks.”

Merchandise is the property in which we paid the amount of the note ; therefore we owe it for paying our note for us. Sales book entry—omitted.

NOTE.—We have said, that when we pay a person a sum that we owed him, he owes us, or becomes our debtor ; so, when we pay our note, for the same reason it owes us, or becomes our debtor.

DAY BOOK—FEBRUARY 20.

The transaction of this date in the Day Book requires entries in Cash Book and Sales Book, and gives us the following entry for the Journal :—

Walter Howard	Dr.	To Sundries....	\$2,974 29
To Merchandise.....			\$2,730 00
“ Cash.....			160 15
“ Commission.....			84 14
			<u>2,974 29</u>

ELUCIDATION.—W. Howard owes us, because the goods were shipped at his request, or according to his order, they are sold to him ; he therefore is debtor.

To Merchandise we are indebted, because we have sold it, and it has produced us \$2,730, for which amount Howard owes us.

To Cash we are indebted, because it paid the amount of insurance and other expenses for us. Cash Book entries required.

To Commission, as a branch of our business, we are indebted, because it produces us, in this transaction, \$84.14.

The amount of the creditor sums in the above entry equals the debtor sum—that is, the sum that Howard owes us. As we have before said, the debtor and creditor will and must always be equal.

DAY BOOK—FEBRUARY 21.

The transaction of this date in the Day Book gives us the following entry for the Journal :—

Merchandise	Dr.	
To Merchandise.....		\$1,530 00

ELUCIDATION.—There are, in this transaction, two kinds of merchandise ; one we have bought, and the other we have sold. That which we have bought, owes us the value it has cost us ; and to that we have sold, we owe for the value it has produced. One kind is debtor, and the other is creditor. This would require entries in the Invoice and Sales Books, did we keep them up.

DAY BOOK—FEBRUARY 21. (2d entry of this date.)

The transaction of this date in the Day Book requires entries in the Bill Book, and gives us the following entry for the Journal :—

Bills Receivable

Dr.

To Bills Payable.....\$800 00

ELUCIDATION.—In this transaction, we exchange notes with Mr. Bernard. His note is in our favor, called *Bills Receivable*, and *owes us* for the sum it is drawn for. Our note stands out against us, is called *Bills Payable*, and *we owe it* for the sum it is drawn for. Requires two entries in the Bill Book.

NOTE.—Notes that originate in this way, are made and exchanged for the purpose of getting endorsers and having the notes discounted. In the above, we endorse for Mr. Bernard, and he endorses for us.

DAY BOOK—FEBRUARY 23.

The transaction of this date in the Day Book requires entries in the Bill Book and Cash Book, and gives us the following entry for the Journal :—

Sundries	Dr.	To Merchandise....	\$1,620 00
Bills Receivable			\$ 500 00
Cash.....			120 00
James Truman.....			1,000 00 1,620 00

ELUCIDATION.—Here, as there are more than one debtor, we head them with the word "Sundries."

Bills Receivable is the title given to the note that we hold against J. Truman. This note *owes us* \$500 ; it is therefore debtor.

Cash owes for the amount paid to us in that class of property.

J. Truman owes us, because the balance of the bill of goods sold to him remains unpaid.

To Merchandise we acknowledge ourselves indebted, because it has produced us the sum of \$1,620, it is therefore creditor.

DAY BOOK—FEBRUARY 24.

The transaction of this date in the Day Book requires entries in the Cash Book and Bill Book, and gives us the following entry for the Journal :—

Sundries	Dr.	To Bills Receivable....	\$2,000 00
Cash.....			\$1,969 00
Discount.....			31 00 2,000 00

NOTE.—To get a note discounted, means to obtain the money for it before it is due. The bank deducts from the amount of the note a certain sum for interest or discount, according to the time the note may have to run, and pays us the balance in cash.

ELUCIDATION.—Cash owes us, because the sum the bank has paid us, is paid to us in that property. The class of property called Cash, owes us to-day \$1,969 more than it owed us yesterday, because we have so much more value invested in it. It will be better to make two entries in the Cash Book—i. e., receive \$2,000, and pay out \$31.

Discount has cost us, in this transaction, \$31 ; therefore it owes us.

The note has paid us the sum it owed ; therefore it is a creditor. Although we do not get the face of the note, we consent to take less ; and therefore the

note must be credited for the whole amount it owed—\$2,000. It will be seen that Cash and Discount are the objects which owe us now, the amount which Bills Receivable owed us before.

DAY BOOK—FEBRUARY 25.

The transaction of this date in the Day Book requires an entry in the Cash Book, and gives us the following entry for the Journal :—

Schooner Josephine	Dr.	To Sundries	\$5,000 00
To Walter Howard.....			\$2,222 22
" Exchange.....			177 78
" Cash.....			<u>2,600 00</u> 5,000 00

ELUCIDATION.—The schooner owes, because she has cost us \$5,000 ; she is therefore debtor.

We are debtor to W. Howard, because we have drawn on him for \$2,222 22. To draw on a person, is to order him, by means of a written order, to pay a certain sum for us. The Bill of Exchange does not appear in the Bill Book—it is not *Bills Receivable* or *Bills Payable* to us.

Exchange is creditor, because that branch of our business denominated Exchange, has produced us \$177.78. We sold the draft, or bill of exchange, at a premium, which we consider a gain arising from the advantageous position of funds. The premium goes to Capt. Davis, in part payment of the schooner.

Cash is creditor, because we owe it as a class of property for paying part of the \$5,000.

NOTE 1.—Sometimes the gain or loss, arising from the sale of drafts or bills of exchange, belongs to the one who draws, and sometimes to the party drawn on, or remitted to : this depends on who *placed* the funds to draw against, and other circumstances. In this series of transactions, we shall suppose the premium, or discount, to be the gain or loss of the drawer, unless otherwise expressed.

NOTE 2.—It should be understood that, when we see it stated that exchange on England is at 8 or 9 per cent. premium, *it is really only about par*. The premium, being calculated on the old par value of \$4.44 to the £, must include, under the name of premium, the difference between the nominal value (\$4.44) and the true value (\$4.84)—about 40 cents. Nine per cent. premium on \$4.44 would bring the £ up to \$4.84,—equal to no premium.

DAY BOOK—FEBRUARY 26.

The transaction of this date in the Day Book gives the following entry for the Journal :—

William Evans	Dr.	
To James Truman.....		\$1,000 00

ELUCIDATION.—We receive an order at sight on Wm. Evans, who accepts but does not pay it ; and the order being due, it is charged in account by mutual consent. Evens owes us, because the order is due and not paid.

To J. Truman we owe for the amount of the order he has given us on W Evans.

NOTE.—We see in this transaction, also in the one of the 25th, an important paper received in one case, and delivered in the other, which makes no part of the Journal entry; the reason is, that these papers do not *owe us*, nor do *we owe* them. Do not, therefore, trouble yourself with any such rule as, "What you receive is debtor to what you give."

DAY BOOK—FEBRUARY 27.

The transaction of this date in the Day Book requires an entry in the Bill Book, and gives the following entry for the Journal :—

Shipment to Port au Prince	Dr.	To Sundries	\$3,908 00
To Merchandise.....		\$1,200 00	
" Bills Payable.....		2,190 00	
" Charles Lawrence.....		288 00	
" Schooner Josephine.....		230 00	3,908 00

ELUCIDATION.—All the articles shipped in this transaction compose and constitute a particular property to which we give the title of "Shipment to Port au Prince," which we say owes us the entire amount we have invested in it; the shipment is therefore debtor.

H. B. Walker & Co., to whom the goods are consigned, do not owe us, because the goods are still our property and not sold to them. To the creditors, being more than one, we give the preface of "Sundries."

To Merchandise we are indebted for contributing for us toward the shipment the sum of \$1,200—the amount of the goods taken from our store and given to Mr. Fisher for the domestic goods which form part of the shipment.

To Bills Payable we owe for the amount of our note given to Dallet & Co., in payment of our purchase of them.

To our schooner we owe for the value of the freight (calculated in advance) on the goods, which she has produced or saved us.

DAY BOOK—FEBRUARY 28.

The first transaction of this date in the Day Book requires an entry in the Bill Book and Cash Book, and gives the following entry for the Journal :—

Shipment to Port au Prince	Dr.	To Sundries	\$201 56
To Bills Payable.....		\$ 81 56	
" Cash.....		120 00	201 56

ELUCIDATION.—The shipment owes us, because it has cost us for insurance, and various expenses in shipping the goods.

Bills Payable are creditor, because we owe our note given to the Insurance company in payment for the premium or cost of insurance.

Cash is creditor, because *we owe it* for paying for us the expenses.

DAY BOOK—FEBRUARY 28. (2d Entry of this date.)

The second transaction of this date in the Day Book requires an entry in the Cash Book, and gives the following entry for the Journal :—

TRIAL BALANCE.

35

Schooner Josephine

Dr.

To Cash.....\$26 00

ELUCIDATION.—The insurance is an expense on the schooner, and she *owes us* for it ; therefore she is debtor.

Cash is creditor, because it was cash that paid the insurance for us.

TRIAL BALANCE.

HAVING Journalized the transactions of February, the pupil will now proceed to post—that is, to enter in the Leger from the Journal, as explained at the end of January. When the posting is finished, he will make a Trial Balance. In adding the accounts in the Leger, the sums of January must be included. The Trial Balance of the Leger at this date follows. Balance the Cash Book, and compare the duplicate accounts.

Dr.

BALANCES OF FEBRUARY 28, 1858.

Cr.

2	Cash,	\$31,120	53	1	T. Blanchard,....	\$26,920	00
4	Merchandise,	2,905	89	1	C. C. Marsh,.....	16,705	00
5	Bills Receivable..	8,987	37	6	Bills Payable,....	10,838	22
6	Store Fixtures,...	300	00	7	Discount & Int'tst..	96	05
7	Schooner Josephine	4,951	00	9	Commission,	84	14
8	Store Expenses...	65	00	9	Exchange,	177	78
8	Profit and Loss,..	350	00	10	C. Lawrence,	288	00
11	O. Otis & Co.,...	200	00	14	W. Evans,	260	00
12	S. H. Lovell,	250	00				
13	W. Howard,	307	62				
16	Shipment to New } Orleans,	1,822	22				
16	Shipment to Port } au Prince,	4,109	56				
		55,369	19			55,369	19

BUSINESS OF MARCH.

Embracing Entries of twenty-six Transactions, relating to—Delivering per Order—Receiving Consignments—Paying Charges on Consignments—Selling Consignments—Selling at Auction—Collecting Notes and Acceptances—Receiving Notes with Interest—Allowing for Damages in Sales—Paying Acceptances—Closing Consignments—Rendering Account Sales—Receiving Account Sales—Buying in Joint Account—Selling in Joint Account—Receiving our Note before Due—Paying Money to a Partner—Buying Bills of Exchange—Closing Account of Sales in Joint Account—Rendering Account Sales of Merchandise in Joint Account.

THE RULE.

Every Person and Object that *owes us* is. Dr.

Every Person and Object that *we owe* is. Cr.

The best method of applying the above rule, is the following :—

First, understand well the nature of the transaction, make yourself familiar with its details, consider yourself the person that performs it or to whom it occurs, and then ask yourself—

Who or what owes me ? And write down the answer as the. Dr.

Whom or what do I owe ? And write down the answer as the. Cr.

The sums that belong to these answers are those that the person or object in reality owes us, and those that we owe.

DAY BOOK—TRANSACTION OF MARCH 2.

ELUCIDATION.—C. Lawrence owes us in this transaction, because on his order we delivered the goods to W. Blakeley.

Merchandise is creditor, or we owe to Merchandise, because it produces us value to the amount of \$288.

When we pay a sum by order of any person, it is evident that that act makes him owe us. The order is no more than a receipt to show that we have executed it. It has not the requisites to make it a note in our favor or against us ; it was not issued by us with our signature, as it would have been had it been our acceptance, nor does it promise to pay us its sum at any future time. No Bill Book entry.

DAY BOOK—2D TRANSACTION OF MARCH 2.

The transactions relative to which no explanations are given, are considered sufficiently simple not to require them, provided the pupil has studied with attention those of January and February.

DAY BOOK—TRANSACTION OF MARCH 3.

ELUCIDATION.—The title of “De Nones Consignment” is given to the goods that Mr. De Nones has sent to us to be sold for him, or for his account. This consignment can *owe us* only for the expenses that have been incurred on it since in our hands—the freight and duties.

Cash is creditor, because in it we paid the freight and duties.

We can not credit J. De Nones for the amount of the goods he consigns to us (\$2,700), because we do not *owe him* that sum. The goods are still his ; we have neither bought nor ordered them, and we can not owe a person for what remains his. When we have sold the consignment, and rendered to him an ac-

count of the sales, then we may owe him the net proceeds, but not before. Sales made from consignments appear first in the common Sales Book, and from this are copied into a Commission Sales Book.

DAY BOOK—TRANSACTION OF MARCH 4.

ELUCIDATION.—The acceptance which we have held until this date against Otis & Co., became due this day, and is paid in cash.

Cash now owes us for the sum that heretofore the acceptance owed; therefore Cash is debtor. The acceptance having paid us what it owed us, becomes our creditor—we owe it the sum it pays us.

DAY BOOK—2D TRANSACTION OF MARCH 5.

ELUCIDATION.—The balance of O. Otis & Co.'s account, in our favor, is \$700, which is considered due in cash; therefore, in giving us a note at sixty days, it should be drawn for the sum that will be due sixty days hence—that is, the note should include interest corresponding to its credit or time. The note owes us for the said balance, and also for the amount of interest; for both of which it is drawn or written.

Interest is creditor, because we owe it for producing us \$7.35.

NOTE.—When Interest is in our favor, it is a creditor, because we owe it for the value it produces. When it is against us, it is a debtor, because it owes us for the sum it costs us.

To O. Otis & Co. we are indebted for the balance of their account, which they have paid us in their note; for which balance the note is now our debtor.

DAY BOOK—TRANSACTION OF MARCH 7.

ELUCIDATION.—In this transaction, we agree to an allowance in favor of C. Lawrence, on a purchase of a former date. The amount of the allowance we do not pay; therefore *we owe* him, and he becomes a creditor for the same.

DAY BOOK—TRANSACTION OF MARCH 9.

ELUCIDATION.—The acceptance now paid received the title of "Bills Payable," when we accepted it (February 16), since which time it has stood out against us as our note. This acceptance now owes us, because we have paid it what we owed it.

W. Howard does not owe us in *this* transaction, because the draft, now paid, was our acceptance. At the time we put our name on it, he began to owe us, and he then became our debtor.

DAY BOOK—TRANSACTION OF MARCH 10.

ELUCIDATION.—Commission owes us nothing in this transaction, because in reality we sell the goods for only the sum that we receive for them—being the net proceeds, \$1,233.27; for which sum Cash owes us, and we owe to the consignment.

NOTE.—It is not necessary to give, in the Day-Book, the particulars of the quantity, quality and prices, of goods sold—these belong more to the Sales Book than the Day Book; but as it is not thought necessary to continue the Sales Book beyond a few examples, the former book is rendered more complete by its embracing some description of the goods sold, particularly when those goods are not ours.

DAY BOOK—2D TRANSACTION OF MARCH 10.

ELUCIDATION.—To receive merchandise to our account, means that we have bought it, or taken it as our own. And now, since the olives are ours, we give them the title of Merchandise; and as they owe us, we call them debtor. To the consignment we owe, because it has produced us the olives, or their value.

DAY BOOK—TRANSACTION OF MARCH 12.

ELUCIDATION.—The merchandise, or olives, sold to P. Harris in this entry, does not belong to the consignment of De Nones, having been made ours in a previous entry.

DAY BOOK—TRANSACTION OF MARCH 14.

ELUCIDATION.—In order to ascertain the amount of the sales of this consignment, and to see if it agrees with the Commission Sales Book, it is necessary to post all the sums belonging to the consignment, from the Journal to the Leger, and to compare the Leger account with the account in the Commission Sales Book.

The entry under this date in the Day Book shows that we have made an "Account Sales" of the goods belonging to J. De Nones, for the purpose of closing the account of those goods, and transferring the balance to accounts where it more properly belongs.

In Journalizing this entry, we say that *we owe* to the following:—

To Commission we owe, because it, as a branch of our business, has produced us.....	\$215 71
To Store Expenses we owe, because that branch of our business has produced us the amount of our charges for storage, &c.....	52 24
To Joseph De Nones we owe for the net proceeds of the goods we have sold for him.....	3,531 32
Amount that we owe.....	3,799 27
which makes the balance of the account in the Leger.	

Now, then, the consignment must owe us, and become debtor for the balance that appears on its credit side, because we divide said balance, and carry it to the credit of the different accounts above named. This last entry, when posted, will close the consignment. Rule and foot the account.

The "Account Sales," which we render to J. De Nones, will be found among the Forms, at the end of this volume.

DAY BOOK—TRANSACTION OF MARCH 16.

ELUCIDATION.—Lockhart & Arrott owe us for the amount of the net proceeds

of our shipment to them, they having sent us an account of the sales without remittance of funds.

"Shipment to N. Orleans" being the title we gave the goods when we shipped them, we should now, in speaking of that property, use the same name. Shipment to New Orleans is creditor, because we owe it the sum it has produced us, and for which L. & A. are responsible.

NOTE.—Here we have the same transaction as that of the previous entry, with the difference only, that in one case we send away an "Account Sales," and in the other we receive one.

DAY BOOK—TRANSACTION OF MARCH 18.

ELUCIDATION.—Cash *owes us* for the sum that P. Harris has advanced to us ; and *we owe* him, because we have not yet used the money for the object for which he gave it to us.

DAY BOOK—TRANSACTION OF MARCH 20.

ELUCIDATION.—We give the title of "Merchandise Company 1," or "Company 1 Merchandise," or merchandise joint account, to the flour which we have bought in joint account with Mr. Harris—a name to distinguish it in our books from goods that belong solely to us.

The flour does *not owe us* for its whole cost, but only for the cost of our half of it—\$2,000 : it is not responsible to us for Mr. Harris's half, or what it costs him. P. Harris owes us for his part of the purchase, because we paid for his part of the flour.

DAY BOOK—TRANSACTION OF MARCH 21.

ELUCIDATION.—The flour costs us only half of the amount received, and it can owe us no more than our interest in it—\$1,187.50. We have received twice that amount ; but Journalizing is not to show what we *receive* or *deliver*, but what are our debtors and creditors.

Mr. Harris is creditor, because we owe him for our half of the flour : he furnishes our half for us. Were we to credit Mr. Harris for all this flour, we would be making the same entry as if we had bought it all of him ; which is not the case, because, it being on joint account, half remains his. It being in our store makes no difference in the proprietorship.

DAY BOOK—TRANSACTION OF MARCH 23.

ELUCIDATION.—In the transaction of this date, we receive our own note in part payment for the flour ; and as the note is not due, we are allowed discount for the time it wants of being due. Discount is therefore in our favor, and must be credited for what it produces us—\$9.10.

Bills Payable owes us for the amount it was drawn for—\$2,100—although we do not give that sum for it, yet with what we give we pay the whole.

The flour, under the name of "Company 1 Merchandise," is creditor, because it produces us \$3,000.

NOTE.—Accounts of merchandise in company, or in joint account, generally show on the debtor side only half of the amount purchased, while on the credit side they show the total sales. This may appear irregular, but it is not so. The property can not be debtor (that is, owe us) for more than our interest in it, nor can it be debtor in our books for what it may have cost the other partner. But when we sell the goods, they produce into our hands the total amount of the sales, and consequently we have a very good reason for crediting them for the same.

DAY BOOK—TRANSACTION OF MARCH 26.

ELUCIDATION.—The bill of exchange, which we have bought for the purpose of making a remittance to London, owes us for its face only, and not for the premium we have paid on it.

Exchange, as a branch of our business, owes us for what it has cost us—being, in this case, the difference between the old par value of the £, and the amount the £ in Liverpool sells for here.

NOTE.—It should be borne in mind, that the premium here paid is only an apparant premium—a premium on the £1 at \$4.44. If bills on England were bought or sold by the rate of \$4.84 as the par value, the exchange in the above transaction would be at a discount, instead of a premium.

When we buy a bill of exchange, it is for the purpose of placing funds at some distant point, without the necessity of remitting specie or merchandise. It is the method of remitting generally preferred, provided the rate of exchange be not too high.

DAY BOOK—TRANSACTION OF MARCH 27.

ELUCIDATION.—Wm. Evans owes us for the amount of the order, which being at sight, and accepted, brings him immediately into our debt. It is agreed that it shall be passed to his account, instead of being paid in cash, because by former transactions we are owing him.

DAY BOOK—TRANSACTION OF MARCH 30.

ELUCIDATION.—Before making the closing entry under this date, all the entries in the Journal, relating to the Company 1 Merchandise, must be posted, and the sums on the credit side of the account examined in the Day Book, in order to see if they are actual sales, or only transfers. This done, we make an Account Sales which is the origin of the Day Book entry of March 30th—and which gives the following result :—

Total sales (amount of the credit side of the account).....	\$7,850 00
Storage charged by us, (and any other charges against the goods if we had them).....	\$ 39 00
Our commission for selling, at 2½ per cent.....	196 25
Amount of the expenses on the flour.....	235 25
which we subtract from the total sales, and which gives us the amount of the net proceeds.....	7,614 75
Half of which belongs to Mr. Harris.....	3,807 37
And our half is.....	3,807 38
From this we take the cost of our half (found on the debtor side of the account), which is.....	3,187 50
Showing our net gain in this business to be.....	619 88

From the preceding we draw the following creditors :—

We owe to Commission for producing us.....	\$196 35
We owe to Store Expenses for producing us.....	39 00
We owe to P. Harris for his half of the net proceeds of the flour in our hands.....	3,807 37
We owe to Profit and Loss (name of our business) for our half of the net gain.....	619 88
Total that we owe (the balance of the account).....	<u>4,662 50</u>

TRIAL BALANCE.

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This should be the balance of the account of Company 1 Merchandise, because we can owe no more or less, after making the above calculation, than we did before ; but we may owe different objects.

Company 1 Merchandise is debtor, because it owes us for the amount we transfer from its credit to the credit of other accounts, where it more properly belongs. We ought to make this transfer of the balance, because the goods have all been sold, and the preceding calculation shows us that we owe that balance to other parties or accounts.

The "Account Sales" of this flour, made out to be rendered to Mr. Harris, will be found among the Forms at the end of the book.

TRIAL BALANCE.

The student will now, having posted all the entries in the Journal, proceed to make out the Trial Balance of March 30, in the manner explained at the end of January and February.

The following is the Trial Balance, showing the balances of the accounts at this date :—

Dr.				BALANCES OF MARCH 30, 1858.				Cr.			
2	Cash,	\$28,787	33	1	T. Blanchard,....	\$26,920	00				
4	Merchandise,	4,596	39	1	C. C. Marsh,.....	16,405	00				
5	Bills Receivable..	11,392	79	6	Bills Payable,....	4,293	78				
6	Store Fixtures,...	300	00	7	Discount & Int'st..	112	50				
7	Schooner Josephine	4,951	00	8	Profit and Loss,..	269	88				
8	Store Expenses...	18	76	9	Commission,	496	10				
9	Exchange,	177	78	11	P. Harris,	4,994	87				
10	C. Lawrence,	165	00	14	J. De Nones,	3,531	32				
12	S. H. Lovell,	395	00	16	Shipment to New }						
13	W. Howard,	307	62		Orleans,	197	78				
14	Lockhart & Arrott	2,020	00								
16	Shipment to Port }	4,109	56								
	au Prince, }										
		57,221	23			57,221	23				

BUSINESS OF APRIL.

Embracing Entries of forty Transactions, relating to—Paying Rent—Receiving Returns—Receiving Consignments free of Charges—Selling on Commission—Renewing notes—Allowing to ourselves for Damages—Shipping on our Account—Closing Consignment—Buying in Joint Account—Exchanging Uncurrent Money—Renewing our Notes—Transferring Purchase at Auction—Drawing Prize—Receiving Account Sales with Returns—Taking a Consignment to our Account—Receiving Freights of our Vessel—Drafts remitted us for Collection—Buying Drafts per Order and for Remittance—Investing Funds in Drafts—Buying Specie—Allowing Interest on Partner's Capital—Rendering Accounts Current—Closing Accounts—Correcting Errors, &c., &c.

THE RULE.

Question yourself, in every transaction, thus :—

What owes us ? For that alone is.....Dr.

What do we owe ? For that alone is.....Cr.

DAY BOOK—TRANSACTION OF APRIL 2.

ELUCIDATION.—The cotton that we receive, in this transaction, owes us as much for the freight as for its first cost in New Orleans. It is therefore debtor for \$2,320.

To Lockhart & Arrott we are indebted for the amount of the cotton shipped to us by our request. This invoice is returns for a shipment made to Lockhart & Arrott, February 4th ; but we do not owe and credit the shipment in this transaction, because it was credited when we received the account sales, March 16.

DAY BOOK—TRANSACTION OF APRIL 3.

ELUCIDATION.—In this transaction there is neither debtor nor creditor ; that is, nothing owes us, and we owe nothing. We can not, therefore, make any Journal entry. The coffee still belongs to Mr. Fisher. We have not bought it of him, nor agreed to pay him a certain sum ; therefore we can not owe him for the coffee, nor credit him for it. The coffee has not cost us anything, nor is it responsible to us for any expenses ; therefore it is not debtor.

There is no necessity for this transaction appearing in the Day Book ; but the invoice should be copied into the Invoice Book, and Mr. Fisher is entitled to a receipt for the quantity of coffee received of him on commission.

DAY BOOK—TRANSACTION OF APRIL 7.

ELUCIDATION.—We say nothing of Bills Receivable in the transaction of this date, because the circumstances of the note have not changed. It still owes us the \$2,000, for which we made it debtor when it began to owe us—January 5th.

The new note should be entered in the Bill Book, and against the old one should be remarked, that it was renewed. (See Notes Nos. 1 and 15, in the Bill Book.) It is customary, in renewing notes, to draw the new note for the same amount as the old one, and to pay the interest on the new note in advance, for the time it may have to run.

DAY BOOK—2D TRANSACTION OF APRIL 7.

ELUCIDATION.—Mr. Fisher owes us for the sum we have paid him on account of the proceeds of his coffee. We shall owe him the net proceeds when we render the account sales.

To Fisher's consignment we are indebted for producing us the \$1,440 paid to Mr. Fisher.

If we had made two entries of this transaction in the Day Book, Cash would appear as both a debtor and a creditor.

DAY BOOK—TRANSACTION OF APRIL 10.

ELUCIDATION.—Mr. De Nones owes us for the amount of the defects found, and allowed, in goods sold for him. We say nothing of the consignment in the Journal entry, because that has been closed, and the net proceeds transferred to his account.

Merchandise is creditor, because by that name we called the olives when they became ours, and now they have produced us the amount we claim as deduction in the price we took them at.

DAY BOOK—TRANSACTION OF APRIL 11.

ELUCIDATION.—Mr. Fisher owes us for the amount we have paid him—that is, \$1,350 : \$1,322.33, four months before due, is equal to \$1,350, allowing us interest for four months and three days.

Bills Receivable, or the note of S. H. Lovell, owes us now for the sum that he owed us before, because in that kind of property he has paid us. Discount is in our favor : it produces us \$27.67. We discounted the note for Mr. Fisher.

DAY BOOK—TRANSACTION OF APRIL 16.

ELUCIDATION.—Before we can make the Day Book entry of this date, all the sums for which the "consignment" is debtor or creditor in the Journal, must be posted to the account in the Leger.

On the credit side we see the amount of the sales—\$4,680 ; from which subtracting all the expenses, leaves the net proceeds \$4,545. By this calculation, we discover that the balance of the account (which is the total of the credit side in this case) is \$4,680, and that we owe this sum to the following, to which we must now transfer it :—

We owe to Commission for what it produces us.....	\$117 00
We owe to Store Expenses for what they produce us.....	18 00
We owe to J. Fisher for the net proceeds of his coffee.....	4,545 00

Making the total of the Cr. side, or the balance of the account.... 4,680 00

These now become our creditors instead of the consignment, and this must be charged for the amount that we transfer, which will close the account of the consignment. Rule and foot the consignment account.

DAY BOOK—TRANSACTION OF APRIL 20.

ELUCIDATION.—The merchandise bought in joint account with Mr. Austin, in this transaction, *owes us* for the amount it has cost us—that is, for what our two thirds cost, \$3,333.33—and for no more. The merchandise can not *owe us* for what it has cost Mr. Austin.

We say nothing of Mr. Austin in the Journal entry, because we have paid nothing for him, nor he for us ; we do not owe him for paying for his $\frac{1}{3}$ for himself.

NOTE.—Never permit the mere circumstance of *receiving* or *delivering* to divert your attention from the true and only practical Rule. By this rule alone can you prove the correctness of a Journal entry. There are various other transactions, besides this, in which the object that is *received* is not our *debtor*, and that which is *delivered* is not our *creditor*. See the transactions of the 4th, 12th, 25th, 26th, and 27th of February, 2d, 3d, 16th, 20th, 21st, and 27th of March, and 3d of April. In all these cases, if the old rule ("The thing received is Dr. to the thing delivered") should be applied, the Journal entry would be grossly wrong. Also, the old rule *never* can be applied to interest, without making a wrong entry.

DAY BOOK—TRANSACTION OF APRIL 24.

ELUCIDATION.—To renew a note, is to pay it by giving a new note for the old one ; and as the new is generally drawn for the same amount as the old, it is customary to pay the interest that may arise on the new note, in advance.

DAY BOOK—TRANSACTION OF APRIL 28.

ELUCIDATION.—As we receive the account sales of our shipment to Messrs. Walker & Co. at the same time we receive the returns, *we owe* the "Shipment to Port au Prince" for the net proceeds, and not Walker, because the shipment now produces us \$6,000.

If these returns had not been accompanied by the account sales, then we should owe and credit Messrs. Walker & Co. for the invoice of hides.

The freight composes a part of the cost of the hides ; therefore they are debtor for the \$200 as well as the \$6,000.

We owe our schooner for the value she produces us in freight.

DAY BOOK—2D TRANSACTION OF APRIL 28.

ELUCIDATION.—The expenses on the mahogany were incurred while it belonged to Messrs. Walker & Co. ; therefore we deduct them from the amount at which we buy the mahogany (\$3,000), leaving the net proceeds of \$2,650, which we owe to the consignors.

The mahogany owes us for its cost, which is \$3,000.

DAY BOOK—3D TRANSACTION OF APRIL 30.

ELUCIDATION.—The bill of exchange that we have bought, in this transaction, does not owe us, because we have bought it by request of, and remitted to, Messrs. Walker & Co. : they owe us.

We owed Messrs. Walker & Co. \$2,650, which we will suppose was due them here (in New York City) ; and we have, by their order, invested that sum (less our commission) in a draft drawn for as much as the funds would buy.

DAY BOOK—4TH TRANSACTION OF APRIL 30.

ELUCIDATION.—In this transaction, we buy a bill of exchange, and remit it to Mr. De Nones, in payment of what we owed him—\$3,469.32. Let us suppose that this debt was payable to him in Cadiz : we then have only to buy a draft for which he will receive that sum. If we give for the draft less than that sum, the gain by exchange or discount is ours, not his ; if, on the contrary, the exchange on Cadiz is at a premium, the *loss* would be ours, not his. (It is neces-

sary to know *where* the money is due or payable, in order to know who gains or loses by the exchange.) The draft we have bought has cost only \$3,402.98 ; but Mr. De Nones will receive for it \$3,454.80, which sum, with the interest for 25 days that it wants of being due, will make the sum that we owed him—\$3,469.32.

In Journalizing this transaction—

We owe to Exchange, because it is in our favor, and produces us the discount on the draft.....	\$ 51 82
We owe to Interest, because it brings us.....	14 52
We owe to Cash for paying for the draft.....	3,402 98
Making the sum which Mr. De Nones owes us, and is debtor for, in this transaction.....	3,469 32
a30	

NOTE.—Had this debt been due to Mr. De Nones in this city, instead of Cadiz, we could charge him only for the cost of the draft, and not for what it was drawn ; and then we should have nothing to say in the Journal, of exchange, because it would neither produce us nor cost us anything.

DAY BOOK—5TH TRANSACTION OF APRIL 30.

ELUCIDATION.—In this transaction we buy, with funds in our hands belonging to Mr. Ruiz, a bill of exchange on Havana ; and we pay for it according to the rate of exchange, which we may suppose to be $1\frac{1}{2}$ per cent. discount. In this way, we receive a draft for \$5,050.63, for which we give only \$4,974.88, which, with our commission, makes up the amount of funds we held for Mr. Ruiz—\$4,987.50.

Mr. Ruiz owes us, in this case, for the amount we paid for the draft, and for our commission, but for no more.

Exchange costs us nothing, nor do we gain by it ; it being in favor of Mr. Ruiz, who will receive a draft for a larger sum than he would have received, had the exchange been at par.

DAY BOOK—6TH TRANSACTION OF APRIL 30.

ELUCIDATION.—In this transaction, we only exchange one kind of money for another ; and as we pay a premium on that we receive, we say Exchange *owes* us for what it has cost, and we owe to Cash for paying it for us.

DAY BOOK—7TH TRANSACTION OF APRIL 30.

ELUCIDATION.—This entry is made for the purpose of crediting each partner for interest on his capital—under the supposition that it was so stipulated in the articles of agreement between them. To arrive at the interest that may be due a partner on his capital, we make out his “account current,” as we would make one for Mr. Harris, calculating interest on both sides of the account, from the date that each sum may be due. See the “Account Current” made out for Mr. Marsh, among the Forms at the end of the book. The balances of interest in this entry are obtained from the accounts current.

In Journalizing this entry we say that we (the firm) owe to the individuals of the firm, and that interest owes us.

DAY BOOK—8TH AND 9TH TRANSACTION OF APRIL 30.

ELUCIDATION.—The sums of these entries are obtained from the accounts

TRIAL BALANCE.

current, made out for Mr. Harris and Mr. Lawrence, which will be found among the Forms at the end of the book. The entry relating to Mr. Harris is journalized wrong; but the error is corrected by the last entry in the day book, under date of May 30. This furnishes an example for the correction of errors by day book entries, which should be resorted to only when the account containing the error has been closed; in other cases it is better to change the figures to ciphers, let the words remain, and make a new entry.

TRIAL BALANCE.

Dr.

BALANCES OF APRIL 30, 1858.

Cr.

3	Cash,	\$26,274	07	1	T. Blanchard,	\$26,870	46
4	Merchandise,	11,437	14	1	C. C. Marsh,	16,702	69
5	Bills Receivable..	6,998	35	6	Bills Payable,	4,137	11
6	Store Fixtures, ...	300	00	8	Profit and Loss, ..	2,379	88
7	Discount & Int'st..	612	53	9	Commission,	782	79
7	Schooner Josephine	4,126	00	9	Exchange,	164	76
8	Store Expenses...	662	76	10	P. Harris,	4,988	20
10	C. Lawrence,	167	31	16	Shipment to New } Orleans,	197	78
12	S. H. Lovell,	395	00	16	Shipment to Port } au Prince,	1,890	44
13	W. Howard,	307	62				
16	Shipment to Boston	3,500	00				
18	Company 2 Mer- } chandise, }	3,333	33				
		58,114	11			58,114	11

BALANCE SHEET.

It is customary, in well-regulated mercantile houses, to close all the accounts, or balance the books, once a year. The object of so doing is to obtain a correct view of the true state and result of the business of which the books give the records. Accounts, however, are closed or balanced under other circumstances—upon a cessation of business, dissolution of partnership, and when the books are full and there is occasion for new ones.

The first object to which we direct our attention, in closing the books, is the *Balance Sheet*. This sheet exhibits, under two heads, the entire result of our mercantile operations. Under the heading of "*Balances of our Property and Debts, or, Assets and Liabilities,*" are brought together all that owe us, and that we possess, and all that we owe or are liable for; under the heading of "*Balances of our Profits and Losses,*" are shown all the balances of gain or loss that may be found in the Leger; and consequently the balance of one will be the net capital, of the other, the net gain.

The Balance Sheet is chiefly composed from the Leger, and an inventory of the merchandise on hand belonging to us, which should be taken at the cost price, or less, if the goods are depreciated in value, but never at more than cost.

Take a sheet of paper, and make on it the following headings, similar to the succeeding Balance Sheet :—

"Balances of our Assets and Liabilities," and
"Balances of our Profits and Losses."

EXPLANATION OF THE ITEMS ON THE BALANCE SHEET.

In disposing of the balances presented in the Leger, on the Balance Sheet, we have merely to pass on the *character of each debtor and creditor*; thus, those that *owe us* and *will pay*, are our assets, and are so entered on the Balance Sheet: those which *owe us* and *will not pay*, are our losses, and are to be so entered on the Sheet; those which we owe and must pay, are our Liabilities, to be entered on the Sheet as such; while those balances which we owe and need not pay, are our gains.

Turn to the first account in the Leger, and, by reflecting on its nature, endeavor to determine on what part of the Sheet its balance should be placed.

The first two accounts that we find are those of the partners, from which we take nothing at present, because their balances are what remains of the old or original capital.

The Cash account (folio 3) shows on its debtor side all the money we have received, and on its credit, all we have paid. It is therefore clear, that the balance or difference between the debit and credit, is the money on hand. Cash is a property that owes us \$26,274.07, which sum we will enter on the debtor side of the Balance Sheet, under the head of Assets and Liabilities.

This account of Merchandise (folio 4) shows on its debtor side the cost of all the goods we have bought, and on its credit, the product of all the sales.

The cost of our merchandise on hand, according to the inventory (which we

now suppose), is \$15,000. This property, merchandise, owes us that sum, and we enter it on the debtor side, under the head of Assets and Liabilities.

We must now calculate the gain or loss on the sales, which is done by adding the amount of the merchandise on hand to the amount of the sales, thus :—

Amount of sales, (total of the creditor side).....	\$24,619 47
Amount of merchandise on hand, per inventory.....	15,000 00
	<hr/>
	39,619 47
Cost of all the merchandise, (total of the debtor side).....	36,056 61
By subtracting, we find the gain on the sales.....	<hr/>
	3,562 86

This gain we enter on the creditor side of the part of the Sheet headed "Profits and Losses."

NOTE.—There is another way of finding the gain on the sales, when the account is in a similar state, which is, by subtracting the balance of the account from the amount of the inventory, thus :—

Amount of Inventory.....	\$15,000 00
Balance of the account.....	11,437 14
	<hr/>
Gain on the sales.....	3,562 86

If there had been no merchandise on hand, the balance of the account would then be either gain or loss.

The account of Bills Receivable (folio 5) shows that we have in our possession notes to the amount of \$6,998.35. This property owes us, then, this sum ; and therefore we enter it on the debtor side, under the head of Assets and Liabilities.

The account of Bills Payable (folio 6) shows that there are notes and acceptances out against us, to the amount of \$4,137.11 ; and as that is a sum we owe, we enter it on the creditor side, under the head of Assets and Liabilities. This balance, as well as the preceding, ought to correspond with the notes out, and on hand, in the Bill Book.

The account of Store Fixtures (folio 6) shows that this property has cost us \$300 ; from which sum we deduct 10 per cent. for the wear, and place the balance (\$270) on the debtor side, under the head of Assets and Liabilities : and the \$30 loss we enter under the head of Profits and Losses, on the debtor side.

The account of Discount and Interest (folio 7) shows a gain or a loss. If the creditor side exceeds the debtor, it is evident that this branch of our business has produced us more than it has cost, the balance therefore would be a gain. But the balance, in the present instance, is on the debit, it is a debt owed to us ; but as we never can collect the sum, it is a loss, and consequently we enter said balance under the head of Profits and Losses, on the debtor side.

The account of Schooner Josephine (folio 7) shows both property and profit or loss. Her first cost is \$5,000, which we will take as the amount of property, and enter it on the debtor side, under the head of Assets and Liabilities. The creditor side of this account shows what the schooner has produced us for freight —\$1,055 ; from which we deduct the expenses on the debit (\$181), and the result is the gain, which we enter on the credit, under the head of Profits and Losses."

(Explanation of the items on the following Balance Sheet, continued on page 52.)

B A L A N C E S H E E T

OF

APRIL 30, 1858.

BLANCHARD & MARSH.

DR.

BALANCES OF OUR

3	Cash,	balance on hand,.....	\$ 26,274	07
4	Merchandise,	balance on hand per Inventory,	15,000	00
5	Bills Receivable,	balance on hand,	6,998	35
6	Store Fixtures,	valued at,.....	270	00
7	Schooner Josephine,	first cost,	5,000	00
10	Charles Lawrence,	balance in our favor,	167	31
10	S. H. Lovell,	balance in our favor,	395	00
13	Walter Howard,	balance in our favor,	307	62
16	Shipment to Boston,	no Account Sales,	3,500	00
18	Company 2 Merchandise,	cost of our two thirds on hand,	3,333	33
			61,245	68

DR.

BALANCES OF OUR

6	Store Fixtures,	loss 10 per cent. on the cost,..	\$ 30	00
7	Discount and Interest,	loss,.....	612	53
8	Store Expenses,	loss,.....	662	76
	THOMAS BLANCHARD'S	half net gain,.....	\$ 4,273	61
	C. C. MARSH'S	half net gain,.....	4,273	61
		NET GAIN,.....	8,547	22
			9,852	51
<p>PROOF OF THE BALANCE SHEET.</p> <p>\$ 26,870 46 Bal. of Thos. Blanchard's acct.</p> <p>16,702 69 " " C. C. Marsh's acct.</p> <p>43,573 15 Net old Capital in the Business.</p> <p>To which add 8,547 22 Net gain as above shown.</p> <p>\$ 52,120 37 Amount of present Net Capital.</p>				

The account of Profit and Loss (folio 8) represents our business ; if the debtor side exceeds the credit, the balance will be loss ; or, if the credit exceeds the debit, the balance will be gain. The balance, in this case is gain, which we enter under the head of "Profits and Losses," on the credit side.

Store Expenses (folio 8). This account does not show property, but a branch of our business ; and the balance which appears at it is either gain or loss. Store Expenses owes us, but they will never pay what they owe ; therefore the balance of this account should be entered under the head of "Profits and Losses."

The account of Exchange (folio 9) shows a sum of gain, because its credit side exceeds the debit—that is, this branch of our business has produced us more than it has cost ; therefore we enter the balance, \$164.76, on the credit side, under the head of "Profits and Losses."

The account of Commission (folio 9) represents a branch of our business ; consequently we enter its balance, \$782.79, under the head of Profits and Losses.

The account of Charles Lawrence (folio 10) shows a balance against him, and in our favor, of \$167.31 ; and as we consider him solvent, we place it on the debtor side of the sheet, under the head of Assets and Liabilities.

The account of Paul Harris (folio 10) shows a balance in his favor, which, being a sum that we owe, we enter on the credit side, under the head of "Assets and Liabilities."

The account of O. Otis & Co. (folio 10) shows no balance, it having been balanced or closed in the course of the business.

The account of S. H. Lovell (folio 12) shows a balance in our favor, and as such we enter it under the head of Assets and Liabilities, on the debit.

The account of Walter Howard (folio 13) exhibits a balance in our favor of \$307.62 ; and, as we esteem him "good," we enter it on the debit side, under the head of Assets and Liabilities.

The account of Shipment to Boston (folio 16), not having any sum on its credit, shows that we have not received an account sales ; therefore the amount of its debtor side is property which we have in Boston. We enter this amount on the debit, under the head of Assets and Liabilities.

The account of Company 2 Merchandise (folio 18) shows a balance due us of \$3,333.33 ; which is the cost of our two thirds of the merchandise belonging jointly to Mr. Austin and ourselves. We therefore enter our part on the debit, under the head of Assets and Liabilities.

The account of Shipment to New Orleans (folio 16) does not now show any sum of property, it having been sold, and the account sales received. On the credit side we see what the shipment has produced us, and on the debit, what it has cost. The balance, in this case, is gain, which we enter under the head of "Profits and Losses."

The account of Shipment to Port au Prince is in the same state as the preceding.

Having now been through the Leger, and taken from every account what it contained of property and debts, and of profits and losses, and disposed of the sums under their appropriate heads on the Balance Sheet, we add, with pencil, its columns, and ascertain the balances.

The Balance Sheet exhibits two important results : Under the head of Assets and Liabilities, are seen all we possess, and all that we owe ; the difference, or balance, must be our present net capital—\$52,120.37. All the sums of gain and those of loss, throughout the Leger, have been brought on to the Balance Sheet, under the head of "Profits and Losses ;" and the balance of the two columns of

this part of the sheet must be the net gain of our business—\$8,547.22. The Sheet can not be closed, or finished, until it has been *proved*.

PROVING THE BALANCE SHEET.

If the Balance Sheet be correct, it may be proved by adding the net gain to the original capital, which should make the net present capital ; thus :—

Thos. Blanchard's old capital (balance of his account).....	\$26,870 46
C. C. Marsh's old capital (balance of his account).....	16,702 69
Net old capital in the business.....	43,573 15
Net gain by the Balance Sheet.....	8,547 22
Net present capital.....	52,120 37

Which, being the same amount produced by subtracting all we owe from all we have (property and debts), is proof that the Balance Sheet is correct. The proof, then, consists in finding the present capital by two different methods ; one, by subtracting our liabilities from our assets ; the other, by adding our gain to our former capital. These operations should, of course, result in the same sum

CLOSING THE BALANCE SHEET.

The net gain is divided equally between the partners, and the last two entries are made on the debtor side of that part of the sheet headed "Profits and Losses ;" which operation will close or balance that part of the Sheet.

Each partner's share of the net capital will be found by adding his half of the net gain to his old capital [balance of his account.] The last two entries on the credit of that part headed Assets and Liabilities, show each partner's share of the net capital, and close that part of the Sheet.

Place the totals at the foot of the columns, affix the date, and the Balance Sheet is finished.

If for any reason it is not desired to close the books, all information relative to the state of our business may be derived from the Balance Sheet.

CLOSING THE BOOKS.

To close an account, means to make the debtor and creditor sides equal, while closing the books consists in conveying the balances of gains and losses which may be found at different accounts in the Leger, into the accounts of the partners, or owners.

Six entries in the Day Book, composed from the contents of the Balance Sheet, journalized and posted, will always close a set of books.

There are two motives for making these closing entries : the first is, to carry the net gain of the business to the partners' accounts ; the other is, that each account in the Leger may begin anew, by its balance being separated from the other sums, and brought down below the totals, or lines.

DAY BOOK, APRIL 30—LAST SIX ENTRIES.

The last six entries in the Day Book, under date of April 30, are composed from the Balance Sheet.

The object of the *first* is, to transfer the losses from the several accounts where they are now, to one account, viz., Profit and Loss ; therefore we make this

debtor in place of the others, and the others become creditors ; which entry, when posted, will close those several.

The object of the *second entry* is to transfer the gains, in like manner, from the several accounts to one account—which is Profit and Loss ; therefore this becomes our creditor, and those our debtors.

The object of the *third entry* is to transfer the net gain, which now stands at the Profit and Loss account, to the accounts of the partners : these, therefore, become the creditors, and that the debtor ; which entry, when posted, will close the Profit and Loss account.

The object of the *fourth entry* is to transfer all the balances of Property and Debts, in our favor, to a new account opened in the Leger, entitled “Balances of April 30, 1858.” Consequently, this new account becomes debtor for all the sums that the former owed us, and they become creditors ; which entry, when posted, will balance or close those accounts. Post the creditors in red ink.

The object of the *fifth entry* is to transfer the balances of all those that we owe, to the account of “Balances of April 30, 1858 ;” this, then, becomes the creditor, and those the debtors ; which will, when posted, close the accounts of Bills Payable and P. Harris. Post these two in red ink.

The *sixth entry* closes or balances the three only remaining unclosed accounts. The balance of the account entitled “Balances of April 30, 1858,” is now the net present capital—\$52,120.37 ; and the balances of the accounts of the partners are their respective shares of said capital. To close these three accounts, the partners become debtors, and the “Balances” creditor. Post all these in red ink. The reason of posting the balances in red is, that such sums are hereafter to be brought down in new accounts.

All the accounts in the Leger ought now to balance ; therefore rule and foot them, and the books are closed. After the accounts are closed, balanced, ruled and footed, open all such as show a balance in red, by bringing the Balance down below the lines ; the accounts will then be ready for a continuation of entries and business.

OPENING NEW BOOKS.

If, when the books have been closed according to the directions given, there should be no necessity for opening new books, and the business is to be continued in the old ones, we open the accounts by merely bringing down [under the old heading, and below the lines] the balances already written in the accounts in red ink, by writing “*To Balance*,” or “*By Balance*,” as the case may be.

But if the books are full, and it should be necessary to open new ones, the best method is to make an entry in the new Day Book, composed from the Balance Sheet, showing the state of the affairs at the closing of the old books, in the following manner :—

NEW YORK, APRIL 30, 1858.

Inventory of the Assets and Liabilities of the firm of Blanchard & Marsh, as per Balance Sheet of this date, as follows:—		
ASSETS.		
Cash, balance on hand,	\$ 26,274 07	
Merchandise, per Inventory,	15,000 00	
Notes in our favor, as per Bill Book,	6,998 35	
Store Fixtures, valuation,	270 00	
Schooner Josephine, first cost,	5,000 00	
Charles Lawrence, balance in our favor, ..	167 31	
S. Lovell, balance in our favor,	395 00	
Walter Howard, balance in our favor, ...	307 62	
Shipment to Boston, of April 30, 1858, ..	3,500 00	
Company 2 Merchandise, our $\frac{2}{3}$ on hand, ..	3,333 33	\$ 61,245 68
LIABILITIES.		
Our Notes outstanding, as per Bill Book, ..	4,137 11	
Paul Harris, balance in his favor,	4,988 20	9,125 31
Net Capital,		52,120 37
Of which Thomas Blanchard's share is,	\$ 31,144 07	
Of which C. C. Marsh's share is,	20,976 30	52,120 37

The Journal entry of the preceding Day Book entry would be such as to show several debtors and several creditors. The debtors are all those properties and persons which owe us, and the creditors those that we owe. For the balance between these, which is the net capital, the firm owes the individual partners, and they should be credited, thus:—

Sundries	Dr.	To Sundries.
Cash		\$26,274 07
Merchandise		15,000 00
Bills Receivable		6,998 35
Store Fixtures		270 00
Schooner Josephine		5,000 00
Charles Lawrence		167 31
S. H. Lovell		395 00
Walter Howard		307 62
Shipment to Boston		3,500 00
Company 2 Merchandise		3,333 33 \$61,245 68
To Bills Payable	4,137 11	
" Paul Harris	4,988 20	
" Thomas Blanchard	31,144 07	
" C. C. Marsh	20,976 30	61,245 68

When the above entry is posted, the new books will be opened.

BUSINESS OF MAY.

Embracing Entries of about one hundred Transactions, in a condensed Form, relating to—
 Clerks' Salaries—Delivering Note for Debt due—Investing Money in Stocks—Receiving
 Account Sales—Receiving Account Current with Balance of Interest—Receiving Draft for
 Balance of Account—Delivering Note on Open Policy—Shipments in Joint Account—
 Monthly Entry of Purchases—Monthly Entry of Sales—Monthly Entry of Cash received—
 Monthly Entry of Cash paid—Correcting errors.

TRANSACTION OF MAY 16.

The Erie railroad stock, which we buy in this transaction, has cost us only \$4,000 ; the discount on the draft is no part of the cost of the stock. The stock, therefore, owes us \$4,000. When we receive any dividends on this stock, we shall credit it for the interest it produces us.

Exchange costs us, in this transaction, \$20.10, for which it is debtor.

We owe to Messrs. Eaton & Co. for the amount we draw on them, or order them to pay for us ; they are therefore creditors.

TRANSACTION OF MAY 23.

In the transaction of this date, we ship an invoice of goods in joint account with Mr. Austin ; we ship then half of the invoice for him, and half for ourselves : therefore, he must owe us for his half of the shipment, and the shipment owes us for what it has cost us for our half. We owe whatever contributes to make up the amount of the shipment.

DAY BOOK—THE FOUR ENTRIES OF MAY 31.

The entries in the Day Book of this month are introduced for the purpose of showing a plan of making monthly or weekly entries, which shall include all the simple transactions of the house—that is, the simple purchases and sales of merchandise, simple cash receipts, and simple cash payments : such entries to be made up, at the end of each month or week, from the following books, viz. : Invoice Book, Sales Book, and Cash Book.

The *first* of the four entries in the Day Book under this date, is supposed to have been taken or composed from the Invoice Book. It includes all the purchases of merchandise, during the month, for notes or on account. *The purchases for cash do not come into this entry, but are included in the entry taken from the Cash Book.*

The *second* of the four entries in the Day Book of this month, is supposed to be composed from the Sales Book. It embraces all the sales of merchandise, *except the cash sales* ; these come into the Day Book from the Cash Book, with all other cash receipts.

The *third* of the four Day Book entries of this date, is drawn from the *debtor side* of the Cash Book. It includes, in a condensed form, all the sums of money received during the month. The sums received of persons, and for which they should be credited, are shown separately with the dates ; but the other sums are brought in aggregate amounts.

The *last* of the four Day Book entries of this date we will suppose is composed

from the *creditor side* of the Cash Book. It comprises all the sums of cash paid out during the month ; those paid for merchandise, expenses, interest, and all other objects (except persons who owe us), in aggregate amounts.

This monthly entry plan of writing up the business of a house, is much admired, and possesses many advantages over the method of making separate Day Book and Journal entries of all transactions. Among its advantages may be enumerated the following :—

1st. It exhibits nearly the whole of the business of the month in only *four* Day Book entries ; thereby affording, monthly, a very clear and satisfactory view of the business.

2d. The posting is reduced, not a hundred per cent., but to a hundredth part of what it would be on the daily or separate entry plan.

3d. Omissions or errors, in transferring sums to the Day Book from the Cash Book, Invoice Book, and Sales Book, *can not occur*, because the addition of each Day Book entry must agree with the addition of the book from which it is brought.

4th. The accounts of Merchandise, Cash, Bills Receivable, Bills Payable, Expenses and Interest, which generally cover many folios in the Leger, to no purpose, become, as they should, the shortest—not having on them more than twelve or twenty-four sums in a year.

It must be understood and remembered, that the monthly entries can embrace no transaction which does not appear in full and complete in either the Cash Book, Invoice Book, or Sales Book ; and that any transaction that can not be made a purchase or sale of merchandise, or a cash receipt or payment, must have a separate Day Book entry at the time it occurs, and must be journalized and posted separately.

The monthly entry plan is not as simple as the other. To adapt it successfully, one must be well acquainted with the subject, and thoroughly understand how to conduct a set of books on the daily or separate entry method.

DAY BOOK—MAY 30. (Last Entry.)

This entry is made to give a sample of a day book entry to correct errors which may sometimes be discovered after an account has been closed. As Mr. Harris was charged for an amount for which he should have been credited, it is now necessary to credit him for double that sum.

QUESTIONS AND ANSWERS,

RELATING TO

OPENING, CONDUCTING, AND CLOSING BOOKS.

OPENING BOOKS.

1. *Question*—What is meant by opening books or accounts ?

Answer—Commencing the records of a business in a systematic manner.

- 2.—With what records or entries does a business generally commence ?

With the circumstances of the person commencing business : with a statement of his capital.

- 3.—When a person begins business without capital, what will be the first entry in his books ?

The first transaction that occurs—a purchase or aught else.

- 4.—If a person begins business without capital, and owes to John Sims \$1,000, what will be his Journal entry ?

Supposing his name to be Thomas Blanchard, his Journal entry will be—

Thomas Blanchard

Dr.

To John Sims.....\$1,000 00

- 5.—If the first transaction in your books should be the purchase of 50 bales of cotton, of John Sims, on credit, amounting to \$2,000, what would be your Journal entry ?

Merchandise

Dr.

To John Sims.....\$2,000 00

- 6.—Why is that your Journal entry ?

Because it shows all the debtors and creditors of the transaction.

- 7.—Why do you make Merchandise debtor, and John Sims creditor, in that transaction ?

The Merchandise is debtor, because it owes me for what it has cost me ; and Sims is creditor, because I owe him—not having paid him for the cotton.

- 8.—What would be your Journal entry, if, at the commencement of your business, you borrow of J. Sims, cash—\$3,000 ?

Cash

Dr.

To John Sims.....\$3,000 00

- 9.—What would be your Journal entry, if you begin business with a capital, in cash, of \$10,000 ?

Supposing my name to be Thos. Blanchard, my entry would be—

Cash

Dr.

To Thomas Blanchard..... \$10,000 00

- 10.—How do you explain this entry ?

Cash is the species of property which *owes me* for my capital ; therefore it is debtor. Nothing can be debtor in my books, unless it *owes me*. I am creditor, because I am possessed of \$10,000 capital, for which I owe no one.

- 11.—Why do you not, in opening your books, credit an account called "Stock," for your net capital?

By so doing, I should be calling myself "Stock" [that being the name given to the proprietor in some systems of book-keeping], and I do not perceive any good reason for substituting that name for my own.

NOTE.—Where there are many partners in a business, as in a banking or railroad company, there is kept an extra Leger, containing only the accounts of the partners.—In such cases, there must be an account in the principal Leger to represent all those in the extra Leger: that account may be called "Stock," "Stockholders," or "Shareholders."

- 12.—When several persons commence a partnership in company, and all do not advance their portions of the capital, how would be your Journal entry? I should credit such only as advanced capital, and neither debit nor credit the others.

- 13.—Will you imagine for me a Day Book of the commencement of a single business, supposing the party to owe and be owed, and that your name is Thomas Blanchard?

I, Thomas Blanchard, commence business under the following circumstances:—

I have in cash, deposited in Bank.....	\$1,000 00
I owe to John Sims, on account.....	100 00

My net capital..... \$900 00

Or thus:—

Assets and Liabilities of Thomas Blanchard, per Inventory taken this day:—

Cash, balance in bank.....	\$1,000 00
Balance due John Sims, on account.....	100 00

Net capital..... \$900 00

- 14.—In what manner will you Journalize these entries?

I should Journalize them both thus:—

Cash	Dr.	To Sundries.
To John Sims.....		\$100 00
" Thomas Blanchard.....	900 00	\$1,000 00

CONDUCTING OR KEEPING ACCOUNTS.

- 15.—Which is the most important book of a set of account books?

The Day Book; because it gives a complete history of our business, which we do not expect to find in the others. In some systems, the Day Book is a mere blotter, and the transactions entered therein are repeated, with explanations, in the Journal; in that case, the Journal is the most important.

- 16.—How, or in what manner, should Day Book entries be written?

Day Book entries should be written in clear and simple sentences: the different parts of a transaction should be stated in the order in which they

- occur. I do not think the words *debtor* and *creditor* should be used in Day Book entries, but merely a simple record of the transaction.
17. From what sources do you get the Day Book entries?
Few transactions appear first in the Day Book, although it is often called the book of original entry. Entries in the Day Book are drawn from various sources—generally from the Invoice Book, Sales Book, Cash Book, and Bill Book.
- 18.—What do you consider to be the object of the Journal?
To exhibit the *debtors* and *creditors*, which arise from mercantile transactions, separated from the sentences of explanation contained in the Day Book, that they may be more easily and correctly transferred to the Leger.
- 19.—By what principle or rule do you distinguish debtors and creditors, or make Journal entries?
The rule I use is this: All those persons and things which I think owe me, I call Debtors; and all those which I owe, I call Creditors.
- 20.—In a transaction where there are many sums, how do you know which sum to affix to the name of a debtor?
After reflecting well on the transaction, I affix the sum which I can demand of him or it.
- 21.—Will you explain to me how things or objects can owe us when we have them?
Perhaps we had better begin with the definition of the word *dollar*.
- 22.—Very well; how do you define the word *dollar*?
Dollar is both the name of a coin, and the name of a measure of a quantity of value. As a measure, it conveys the same idea of value as yard does of space, pound of weight. A pound is a measure of weight, and a dollar is a measure of value. We may have ten *yards* of cloth, ten *feet* of land, ten *pounds* of iron or gold: we may have ten *dollars* in either of these articles, as well as in cash or money.
- 23.—Well, if I have \$1,000, how can there be any debt, when I have the sum?
If you have \$1,000, you must have that amount of value in some kind of *property*, because that sum is only a quantity of value (unless you speak of a thousand pieces of coin); therefore, finish your question, and tell me what you have the value in?
- 24.—If I have \$1,000 in money, how does anything owe me?
Money and cash are only names of property: if you had \$1,000 in land or merchandise, could not these owe you for the value invested in them? Why, then, does not the money owe you for that sum?
- 25.—But, is not that imagination?
No, sir; not unless the law is so. The law makes property and things liable for debts. The law that supports your claim on a person for \$1,000, supports it better on a property, because it maintains you in your authority over and possession of the property, until your claim is satisfied.
- 26.—You understand, then, that a thousand dollars means a quantity of value; and if that value be in merchandise, the merchandise must owe for that value; if it be invested in houses and lands, those, or real estate, must owe for that value; and if it be in cash or money, it must owe?

Yes, sir ; if it is not so, the science of book keeping is wrong, and we can never more use the word *debtor* as applied to things.

- 27.—The science is right ; and you will do well, whenever you pay out any sum to ascertain, with care, *what*, as well as *who*, you can charge for it.

Why do you, in the first entry of the Journal of this book, carry out into the last column the two amounts ?

Merely to show that the sums of the debtors, and the sums of the creditors, form two equal amounts.

- 28.—Why ought the debtor and creditor sums to equal each other ?

When a person owes us, we must of necessity owe some thing for the sum that he owes us. This is the case in every transaction ; therefore the debtor and creditor sum or sums are always equal in a correct Journal entry.

- 29.—How do you Journalize this—A friend makes you a present of \$1,000 in cash ? And how explain it ?

Supposing my name to be Thos. Blanchard, my entry would be—

Cash

Dr.

To Thomas Blanchard.....\$1,000 00

Cash is debtor, because it owes me the value it contains, or that I have in it ; and I, myself, become creditor, because I owe nobody for this value : it augments my capital.

- 30.—I have seen systems of book-keeping in which "Profit and Loss" is credited, in such a transaction. Is it wrong, and why ?

It is wrong, because "Profit and Loss" is the account which represents our business : it should show only the gains and losses that result from the business. In this transaction, we do not owe our business for the \$1,000, because our business did not produce the sum. If, therefore, we carry such sums to the Profit and Loss account, the purpose for which it is opened will be completely frustrated.

- 31.—Which do you place first in a Journal entry, the debtors or the creditors ?
The names of the debtors. I do not know why they are always placed before the creditors, unless it be that people generally think more of their debtors than they do of their creditors.

- 32.—Very well thought of ! Can you inform me why we never see the word *creditor* (Cr.) in the Journal ?

Because the word *debtor* (Dr.) distinguishes the debtors ; and there being only two kinds, one being shown, the others must of course be the creditors.

- 33.—To whom do the "Sundries" owe, in the Journal entry of January 19 ?
They owe the owners of the books—Blanchard & Marsh.

- 34.—That entry reads—"Sundries Dr. to Oliver Otis & Co." Why do you say, "to Blanchard & Marsh ?"

Because there are certain words always understood to follow the word "Dr.," and certain others understood to precede the names of the creditors, in every entry in the Journal.

- 35.—What are those words ?

Those which follow the term "Dr." are, "*to us*," and those that precede the creditors are, "*We are debtor*."

- 36.—Why are not those words used in Journal entries ?
Those words are superfluous ; because the mere act of writing in our books any person or thing Dr., indicates that that person or thing is debtor to us, or is our debtor.
- 37.—What relation does the Journal bear to the Day Book and Leger ?
An intermediate relation—serving to convey the debtors and creditors from the former to the latter.
- 38.—In Journalizing, do you make it a rule to extend the same sum in the Journal that you extend into the outer column in the Day Book ?
By no means : the position that sums occupy in the Day Book should be no guide for their position in the Journal.
- 39.—Have you heard of a rule for Journalizing, founded on the words “ *receive*,” and “ *deliver* ?”
Yes, sir—in these words :—
“ By Journal laws, what I receive,
Is debtor made to what I give.”
- 40.—How does this rule apply, and how not ?
This rule originates in the coincidence that things are often debtor and received at the same time. But this is far from being always the case ; a striking instance may be found in the transaction of 3d of April in this volume. But if the things received were always debtors, and those delivered, creditors, such a rule would be unworthy of science, because, to admit this rule, one must admit that the word *receive* means *debtor*, and that *deliver* signifies *creditor*.
- 41.—For what purpose is the Leger ?
To show the accounts of all those that owe us, and of all those that we owe
- 42.—What do you understand by posting or legerizing ?
Transferring the sums from the Journal to the Leger. Posting sometimes includes Journalizing.
- 43.—How often should books be posted ?
Daily, weekly, or monthly, according to the nature of the business.
- 44.—What are the names of the auxiliary books ?
Cash Book, Invoice Book, Sales Book, and Bill Book. These are the principal, and appear indispensable in every business.
- 45.—What is the use of the Cash Book ?
It shows every sum of cash or money which we receive or pay. It serves as a check on that kind of property ; for the balance between its debtor and creditor sides, should agree with the money on hand.
- 46.—When do you balance the Cash Book, and how ?
Daily—when the business of the day is over. The book is balanced thus : Obtain the difference between the debtor and creditor pages, see that the difference agrees with the money we have on hand, and make an entry on the credit side by writing “ Balance on hand ” with the difference ; and when the account is ruled and footed, it will be balanced.
- 47.—When should entries be made in the Invoice Book ?
At the time the goods are received, the invoice, or bill of them, should be copied in the book.

- 48.—When are entries to be made in the Sales Book ?
At the time the goods are selected, or ordered by the purchaser, they should be described—quantity, quality, and price—in the Sales Book.
- 49.—When, and how, do you take entries from the Invoice and Sales Books to the Day Book ?
Single purchases and sales may be carried from the Invoice and Sales Books to the Day Book separately, if they are of large amounts ; or, we may with propriety convey the purchases of a month or week, from the Invoice Book to the Day Book, in only *one* entry ; and the sales may be taken into the Day Book in the same manner.
- 50.—What advantage is there in making monthly entries from the Invoice and Sales Books into the Day Book, over that of carrying the purchases and sales into the Day Book in separate entries ?
Considerable time and space are saved ; for, by the monthly method, the sales and purchases go to the merchandise account in totals.
- 51.—When should entries be made in the Bill Book ?
When notes are issued or received, and when they are paid or negotiated.
- 52.—We know many book-keepers who post directly from the Invoice, Sales, and Cash Books, to the Leger. What is there objectionable in that method ?
When that method is pursued, there will be no book of the set that will show a complete history of the business, or a record of the transactions as they occurred ; and if at any period the books should not balance, the trouble of finding the errors would be greatly augmented.
- NOTE.—There are some houses in which the transactions, particularly the sales, are so numerous that it is necessary to adopt the most abbreviated system, or the book-keeper would soon be far in the rear of the business. By the method referred to, no book called JOURNAL is used ; but, nevertheless, all the knowledge which that book embraces, is required, even in a greater ratio, because that system makes the Cash, Invoice, and Sales Books, serve the double purpose of Journals.
- 53.—What is a Trial Balance ?
It is a sheet which shows the balances of all the accounts in the Leger, arranged in two columns—one of debtors, and one of creditors.
- 54.—What is the particular object of the Trial Balance ?
To prove the books, and to exhibit the balances, showing what is termed the face of the Leger. If the posting, additions, and subtractions, are correct, the two columns will add up alike.
- 55.—Should they not equal, how would you proceed to find the errors ?
1st. By examining the Journal entries, to see if the debtors and creditors in each entry equal each other. 2d. By examining the posting from the Journal to the Leger, and by re-adding and re-subtracting the accounts in the Leger. I would repeat these, until I had found the error or errors.
- 56.—How often is it necessary to make a Trial Balance ?
Monthly, or quarterly. Sometimes it is left until the end of a year, when it rarely balances.
- 57.—If you buy merchandise for cash, in what books do you make entries ?
In the Cash, Invoice, and Day Books.
- 58.—If you buy merchandise on credit ?
In the Invoice and Day Books.

- 59.—If you buy merchandise on your note ?
In the Invoice, Bill, and Day Books.
- 60.—If you merely exchange merchandise ?
In the Invoice and Sales Books.
- 61.—If you sell merchandise on credit ?
In the Sales and Day Books.
- 62.—If you sell merchandise for cash ?
In the Sales, Cash, and Day Books.
- 63.—If you sell merchandise to John Sims on his note ?
In the Sales, Bill, and Day Books.
- 64.—If you receive money of John Sims ?
In the Cash and Day Books.
- 65.—If John Sims pays a note you hold against him ?
In the Cash, Bill, and Day Books.
- 66.—If you pay for postages ?
In a petty Cash Book.
- 67.—If you pay rent of your store ?
In the Cash Book and Day Book.
- 68.—If there is to-day due J. Sims, for services as clerk in your employment,
\$500 ?
In the Day Book.
- 69.—Will you make the Day Book entry ?
Amount of salary due John Sims for services as clerk, up to this
date..... \$500 00
- 70.—What is your Journal entry ?
Store Expenses Dr.
To John Sims..... \$500 00
- 71.—Suppose, after posting the above, the balance of J. Sims' account is \$200,
and that you pay it : what will be your Journal entry ?
John Sims Dr.
To Cash..... \$200 00
- 72.—If you pay the rent of your dwelling-house, in what books do you enter ?
In the Cash Book and Day Book.
- 73.—What would be your Journal entry ?
Thos. Blanchard (my name) Dr.
To Cash..... \$250 00
- 74.—If you pay your note, now due, in what books do you make entries ?
In the Cash, Bill, and Day Books.
- 75.—If you deliver your note to P. Harris for balance of account ?
In the Bill and Day Books.
- 76.—If P. Harris gives you his note for balance of account ?
In the Bill and Day Books.
- 77.—What difference is there between those notes ?
One is in my favor ; the other against me. I call one " Bills Receivable ;"
the other, " Bills Payable."

QUESTIONS AND ANSWERS.

78.—If P. Harris's note in your favor is due, and remains unpaid, in what books do you make entries?

In the Bill Book and Day Book.

79.—What will be your Journal entry?

P. Harris

Dr.

To Bills Receivable.....\$1,000 00

80.—How can you call Mr. Harris a debtor, when you still hold the note? Does not the note owe you now, as well as it did before?

I think not, sir. The *time* of the note has expired—it is now dead. Before the note was due, we could demand nothing of Mr. Harris; when it is due, our claim begins on its author; “the law allows it, and the court awards it.”

NOTE.—We are aware that many book-keepers do not charge the parties to notes for their amounts when due; but it is the more regular way to do so. The party to a note over due, undoubtedly *owes* the amount, and interest from the date it became due; therefore his account should show it.

81.—When we say, “*Mr. Harris's note (or acceptance) is due and paid,*” what kind of a note is spoken of?

Harris's note” means a note that Harris wrote or signed—a note against him, and not a note belonging to him.

82.—If Mr. James owes you \$100, and you accept \$98 for it, what will be your Journal entry?

Sundries

Dr.

To J. James.

Cash.....\$98 00

Profit and Loss..... 2 00 \$100 00

83.—If you draw on a person, does he become your debtor or creditor, and in what books do you make entries?

My creditor. I make entries in the Day Book; and in the Bill Book if the draft is in my favor.

84.—Why your creditor?

Because I owe him the sum for which I have drawn: drawing on him is drawing from him.

85.—Should the draft be returned, in what books will you make entries?

In the Day Book and Bill Book.

86.—What is accepting a draft?

Writing one's name across the face of it, by which one agrees to pay it when due.

CLOSING ACCOUNTS.

87.—What do you understand by closing accounts, or balancing books?

By closing accounts, we mean the act of rendering the debtor and creditor sides of every account equal. This is done by transferring the balances from the many accounts to only two accounts, and there showing the result of the business in a form so condensed as to be seen at one view.

- 88.—To what do we first direct our attention, in balancing or closing books ?
To the Trial Balance.
- 89.—After that, what next claims our attention ?
The Balance Sheet ; by which we show the result of our business—our assets and liabilities, our gains and losses.
- 90.—Why is it necessary to close the books, when the Balance Sheet exhibits the situation of the affairs ?
The Balance Sheet may suffice for the closing, when the books are not to be changed ; but when the gain or loss is to be divided and carried to the partners' accounts, or when new books are to be brought into use, the closing entries in the Day Book, Journal, and Leger, become necessary.
- 91.—What follows the Balance Sheet, in closing the books ?
We proceed then to make entries in the Day Book, composed from the contents of the Balance Sheet, which we Journalize and post.
- 92.—Which side of the Cash account can exceed the other ?
The debtor side. The creditor side can never exceed the debtor, and be correct.
- 93.—Why is the debtor side of the Cash account generally more in amount than the creditor ?
Because that kind of property called cash is of an unvarying value ; it comes in and goes out of our possession, or is bought and sold, at the same price ; because we can not pay out more money than we have received.
- 94.—To what account do you transfer the balances of property and debts, at the closing of the books ?
To an account called "Balances," opened for that purpose.
- 95.—To what account do you transfer the balances of gains and losses, at the closing ?
To the "Profit and Loss" account.
- 96.—To where do you transfer the balance of the "Profit and Loss" account ?
To the accounts of the partners, or to that of the owner of the books.
- 97.—Which side of the account of *Bills Receivable* can exceed ?
The debtor. The excess ought to agree with the notes on hand, as appears by the Bill Book.
- 98.—Which side of the account of *Bills Payable* can exceed ?
The creditor. The excess should agree with the amount of notes out against us, as appears by the Bill Book.
- 99.—Is there more than one method of making an Account Current ?
There are three methods : 1st, without interest ; 2d, with interest ; and 3d, by averaging, to find when the balance is due.
- 100.—Which part of book-keeping embraces most of the science ?
That part called Journalizing.
- 101.—When a set of books is kept by double-entry, and the book-keeper dispenses with the Journal, does he dispense with Journalizing ?

No, sir. The Journalizing must be done somewhere : the principle of the Journal must regulate or govern all his entries.

- 102.—A certain Note for \$2,000 (No. 19 in these Books) drawn by C. Bernard, is deemed to be bad. In relation to this Note Mr. Blanchard says to his partner—"I will sell my half interest in Bernard's Note for \$500 ; do you know any one who will buy it? Mr. Marsh replies—"Yes, sir ; I will give you that sum for your half of the Note." The Note was in consequence endorsed over to Mr. Marsh ; and the Book-keeper was instructed to make the necessary entries.
- 103.—What Journal entry would you make to dispose of this affair in the Books of the firm ?

San Francisco

.* This work is published in the SPANISH LANGUAGE in the same style.

DIRECTIONS TO TEACHERS.

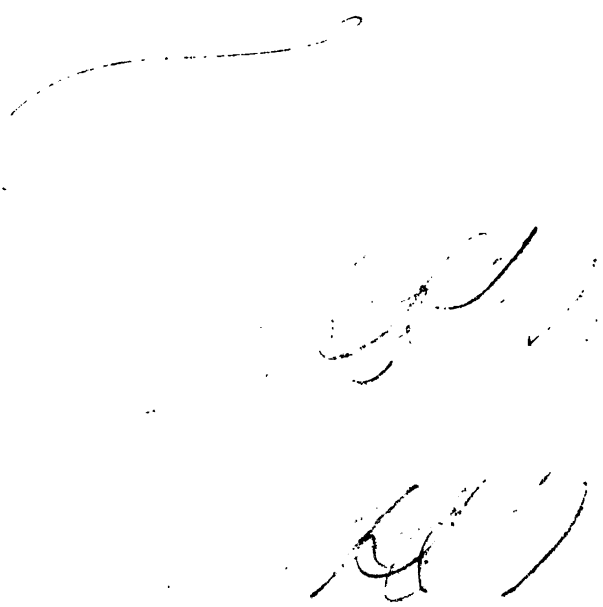
It is evident, since book-keeping is the disposition of business transactions in account-books, that there is no more effectual way of teaching that science than that of furnishing the pupil with a course of well-selected mercantile transactions, of teaching him to make the entries of the same in the different account books, and dispensing the necessary instruction as the transactions arise and the occasion may require. In this manner the pupil becomes familiar with the forms and objects of all the account books in common use in mercantile or commercial houses, gains no insignificant idea of business affairs, and eventually arrives at a just conception of the science—its theory and practice. Such a method of teaching book-keeping is undoubtedly the most natural, interesting, and practical ; and I know, from many years' experience, that very beneficial results accrue to the pupil when it is pursued under the guidance of any intelligent teacher.

In order that the pupil may enter upon the course of instruction laid down in this work for him to pass through, let him have a set of six blank books—Day Book, Journal, Leger and Index, Cash Book, and Bill Book.* The first three may each contain eight sheets of cap paper, ruled to correspond with those books ; the other two may contain about three sheets each, ruled, &c. Next, let the pupil transcribe into his Day Book the transactions of January, from the Day Book of this volume, inserting his own name in place of Thomas Blanchard. The entries of the notes in the Bill Book should be made at the time of copying the Day Book entries, as the notes arise in the transactions. The same in respect to the Cash Book ; let the pupil enter in it all the sums of money received and paid, as he receives and pays them, composing his entries from the Day Book

*As the Invoice and Sales Books include nothing more than descriptions of goods bought and sold, it is not thought worth while to introduce them into the course. Blank Books in sets (six to the set), arranged by the Author, may be obtained of the Publisher.

on a separate sheet, and, when correct, copying them into his Cash Book. Next, let the pupil begin to journalize : he will make his Journal entries first on a separate sheet, and, when found correct, copy them into his Journal. Next, he will post, or make entries in his Leger ; and, lastly, make a trial balance from the Leger. He may balance the Cash Book one, two, or more times during the month.

If one part of the science is to receive more attention than the other, it is the journalizing ; this is fully and constantly explained, and the explanations dated to correspond with the transactions and entries. In general, the order of proceeding with the course of instruction is most carefully delineated in the first sixty-seven pages ; and it is confidently believed that teachers will find the contents of this book very conveniently arranged for teaching in classes or otherwise.









NOTE.

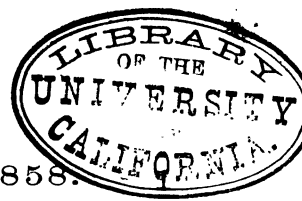
THIS book is designed to contain a complete history of the business.

Entries in this book are made up from various sources ; those embracing sales are taken from the Sales Book ; those embracing purchases of goods are taken from the Invoice Book ; cash sums come from the Cash Book ; notes given or received come from the Bill Book ; while others, of a different or various nature, appear first in the Day Book.

The only rule I can give for making or composing entries in the Day Book is this : adhere to the truth, state the transaction with its parts in the order that they occur, use as few words as possible, and let them be to the point or purpose.

From this book the transactions pass in a journalized form, into the Journal.

The transactions of the months of January, February, and May, contained in the following Day Book, are journalized according to two several forms of Journal : the first gives the entries in the pure journal form and therefore contains no sentences of explanation ; the second is a plan of entry which participates of both the Journal and Day Book, and it therefore embraces, with the names of the debtors and creditors, sentences of explanation. This last plan dispenses with a separate Day Book, (except when kept merely as a “ Blotter, ”) and has the advantage of being a little shorter, while it loses somewhat in clearness. A learner should keep the two books separate and distinct ; he may adopt the briefer method when he understands the science.



NEW YORK, JANUARY 5, 1858.

Thomas Blanchard and Christopher C. Marsh having, as per articles of agreement dated 1st instant, entered into partnership, advance the following Effects as capital :—		
Thomas Blanchard advances—		
✓ Cash, deposited	\$26,000 00	
✓ Note No. 1, as per Bill Book	2,000 00	\$ 28,000 00
C. C. Marsh advances—		
✓ Cash, deposited	\$12,000 00	
Note No. 2, as per Bill Book	2,670 00	
Merchandise, as per Invoice Book, folio 1	3,125 00	
Charles Lawrence, balance of account	140 00	17,935 00
"		45,935 00
The Firm assumes the following individual Notes in favor of sundry persons, outstanding, as per Bill Book, viz. :—		
No. 1, on Thos. Blanchard, for	\$1,080 00	
No 2, on C. C. Marsh, for	1,230 00	2,310 00
7		
Paid Cash to W. Wharton for Bill of Store Fixtures		300 00
8		
Sold Merchandise to Paul Harris, at sixty days, as per Sales Book, folio 1,		325 00
10		
Sold Merchandise to William Blakeley, on his Note, No. 3, at thirty days, as per Sales Book, folio 1,		500 00
12		
Sold Merchandise to S. H. Lovell, for Cash, as per Sales Book, fol. 1, amounting to		125 00
13		
Sold Merchandise to Oliver Otis & Co., as per Sales Book, to be paid for on 19th inst., as follows :—		
Half in Cash, and half in Note at thirty days,		2,000 00
14		
Bought Merchandise of Henry Austin, at thirty days, as per Invoice Book, folio 1,		1,500 00

2 NEW YORK, JANUARY 14, 1858.

1	Bought Merchandise of Rogers & Brothers for Cash, as per Invoice Book, folio 2,.....	\$ 800	00
	16		
1	Bought Merchandise of Rogers & Brothers, on our Note, No. 3, at ninety days, as per Invoice Book,.....	2,100	00
	"		
2	Bought of Christopher Bernard an invoice of Rice, amounting to, per Invoice Book, \$3,200 ; and paid him as follows :—		
	In Cash, .....amounting to.....	\$2,000	00
	In Merchandise, as per Sales Book,	1,200	00
	17		
2	Lent Cash to James Truman, until 22d inst.....	1,000	00
	19		
2	Received of Oliver Otis & Co., for balance of account as follows :—		
	Their Note, No. 4, at thirty days, for.....	\$1,000	00
	In Cash, .....amounting to.....	1,000	00
	20		
2	Sold Merchandise for Cash, to sundry persons, as per Sales Book.....	250	00
	21		
2	Received of Paul Harris his Note, No. 5, at sixty days, dated 8th inst., for bill of that date,.....	325	00
	22		
2	Received Cash of James Truman in full for loan of 17th inst.	1,000	00
	"		
2	Delivered to Henry Austin our Note, No. 4, at thirty days, for bill of 14th inst.....	1,500	00
	24		
2	Sold Merchandise this day, as follows :—		
	To S. H. Lovell, on account, as per Sales Book, ..	\$250	00
	For Cash to sundry persons	160	00
		410	00

Sold Merchandise as follows, as per Sales Book :—		
2	To Oliver Otis & Co., .....on account,.....\$200 00	
	To William Blakeley, .....on account,.....200 00	\$ 400 00
28		
2	Lent Cash to James Truman, on his Note, No. 6, at twelve months, endorsed by Paul Harris,.....\$2,000 00	
	Interest for one year, at 6 per cent. added,.....121 00	2,121 00
30		
3	Paid Cash for our Note, No. 2, in favor of T. P. Cope & Sons, now due,.....	1,230 00
FEBRUARY 2.		
Paid Henry Austin for our Acceptance, No. 1, for \$1,080, as follows :—		
3	In Merchandise, as per Sales Book,.....\$550 00	
	" Cash, .....amounting to.....525 32	
	" Discount, 26 days, at 6 per cent., .....4 68	1,080 00
"		
3	Paid Cash for sundry expenses of Store last month, as per petty Cash Book,	65 00
4		
3	Shipped per Brig Franklin, Kay, and consigned to Lockhart & Arrott, New Orleans, to be sold for our account, an Invoice of Hardware,.....\$1,722 22	
	Paid Cash for Insurance and shipping expenses,...100 00	1,822 22
6		
3	Sold to Christopher Bernard, on his Note, No. 7, at six months, a lot of Hardware, as per Sales Book,.....	320 00
9		
Received of William Blakeley in full for balance of his account of \$200, as follows :—		
3	Cash, .....amounting to.....\$100 00	
	Lost by his failure,.....100 00	200 00

4 NEW YORK, FEBRUARY 12, 1858.

Bought Merchandise of Haven & Smith, as per Invoice Book, \$1,240 ; delivered to them in payment as follows :—			
3	Our Draft at sight on Charles Lawrence, for balance of his account,.....	\$140 00	
	Oliver Otis & Co's Note, No. 4, due 21st inst. for	\$1,000 00	
	And Cash for the balance	100 00	\$ 1,240 00
12			
3	William Blakeley's Note, No. 3, is due and not paid.,....		500 00
13			
3	Received per Steamer Washington, Floyd, consigned to us by Walter Howard, London, pursuant to our order and for our account, an Invoice of Dry Goods, amounting to £1,100 sterling, @ \$4 44,	\$4,888 89	
	Signed Bonds, No. 5, 6, and 7, to the Custom-house for duties at 12 months,.....	1,222 22	
	Paid Cash for freight,.....	422 00	6,533 11
"			
Received of William Blakeley, for balance of his account of \$500, as follows :—			
4	His Draft on S. H. Lovell, which is accepted at thirty days, for	\$250 00	
	Interest added for 33 days,	1 37	
	Face of the Acceptance, No. 8,.....	251 37	
	William Blakeley having failed, the balance is lost,.....	250 00	501 00
16			
4	Accepted Draft at twenty days' sight, No. 8, drawn by Walter Howard, London, in favor of Lewis Clapier, for		4,444 44
17			
	Delivered Merchandise to Henry Austin, in payment of our Note, No. 4, due 16th inst., as per Sales Book,.....		1,500 00

Shipped per Steamer Atlantic, West, consigned to Walter Howard, London, pursuant to his order, dated January 2, as follows :—			
120 tierces Rice, 420 cwt., at \$3.50.....	\$1,470 00		
280 barrels Flour, at 4.50.....	1,260 00		
4 Paid Cash for shipping expenses,.....	75 00		
Paid Cash to Phoenix Insurance Co., for 3 per ct. premium on \$2,805, and policy \$1,.....	85 15		
Our Commission for shipping.....	\$70 12		
Commission for Insuring, at $\frac{1}{2}$ per cent., 14 02	84 14	\$ 2,974	29
20			
4 Bought of William Evans, on account, 280 barrels Flour, as per Invoice Book,.....		1,260	00
21			
4 Bartered with Christopher Bernard an Invoice of Dry Goods for the same amount in Rice, as per Invoice Book...		1,530	00
"			
4 Exchanged our Note, No. 9, at sixty days, with Christopher Bernard, for his Note, No. 9, for same amount and time,..		800	00
23			
Sold Merchandise to James Truman, as per Sales Book, \$1,620 ; received payment as follows :—			
4 His Note, No. 10, at sixty days, for.....	\$500 00		
In Cash,	120 00		
The balance he is to pay on the 26th inst., by an acceptance,	1,000 00	1,620	00
24			
4 Sold Merchandise to Strang, Adriance, & Co., on their Note, No. 11, at ninety days, as per Sales Book,.....		2,000	00
"			
4 Discounted, at the Commercial Bank, Strang, Adriance, & Co's Note, No. 11, for.....	\$2,000 00		
Discount for 93 days, at 6 per cent.,.....	31 00		
Cash received,		1,969	00

6 NEW YORK, FEBRUARY 25, 1858.

Bought the Schooner "Josephine," of Capt. C. Davis, at \$5,000 ; delivered to him in payment as follows :—			
5	Our Bill of Exchange, at sixty days' sight, on Walter Howard, for £500 sterling, at \$4,44.....	\$2,222 22	
	Exchange allowed us, at 8 per cent prem.....	177 78	
	And Cash for the balance,.....	2,600 00	\$ 5,000 00
26			
5	Received of James Truman his Draft, at sight, on William Evans, which is accepted and passed to account for.....		1,000 00
"			
5	Paid Cash for Bills of Rigging and repairs for our Schooner Josephine, amounting to.....		155 00
27			
Shipped per Schooner Josephine, Whipple, consigned to H. B. Walker & Co., Port au Prince, to be sold for our account, as follows :—			
An Invoice of Domestic Goods, received of Irvine Fisher, in exchange for same amount in Imported Goods.		\$1,200 00	
5	200 boxes Soap, 4,000 lbs.,.....	\$ 300 00	
5	200 " Sperm Candles,.....	1,890 00	
	which we have bought of J. R. Dallett & Co., on our Note, No. 10, at sixty days.	2,190 00	
	144 boxes Cheese, bought of Charles Lawrence on account,.....	288 00	
	Estimated amount of Freight on the above, per our Schooner Josephine,.....	230 00	3,908 00
28			
5	Insured, at the Phoenix Insurance office, our Shipment to Port au Prince of 27th inst.; passed our Note, No. 11, at 90 days, for 2 per cent. prem. on \$4,028, and policy,.	\$ 81 56	
	Paid Cash for Shipping expenses,	120 00	201 56
"			
5	Effectuated Insurance with the Atlantic Insurance Co., on our Schooner Josephine, for \$5,000, at ½ per cent. prem., which we have paid in Cash (policy \$1,).....		26 00

Sold Merchandise as per Sales Book, as follows :—			
5	To Oliver Otis & Co., on account,.....	\$500 00	
	To William Blakeley, per order of Charles Lawrence on us for amount of the sale,	288 00	\$ 788 00
" "			
5	Paid Cash for sundry expenses of Store, as per petty Cash Book,		45 00
3			
Received per Brig Clio, Kirk, consigned to us by Joseph De Nones, Cadiz, to be sold for his account, an Invoice of Fruit, amounting to \$2,700.			
6	Paid Cash for Freight and Duties,.....		460 00
" "			
Sold for Cash, as per Sales Book, as follows :—			
6	152 boxes of De Nones' Consignment,		456 00
4			
Sold of De Nones' Consignment, as per Sales Book, as follows :—			
To Charles Lawrence, on account—viz,			
6	25 boxes Oranges ....at \$3.....	\$ 75 00	
	200 jars Olives, .....at .50,	100 00	175 00
To Thomas Milton, for Cash—			
	100 boxes Oranges, at \$3.....	300 00	475 00
" "			
6	Received Cash for Oliver Otis & Co's Acceptance, No. 2, at sixty days, now due,		2,670 00
5			
Received of Oliver Otis & Co., their Note, No 12, at sixty days, for balance of account,.....		\$700 00	
6	Interest for 63 days added, at 6 per cent.,.....	7 35	707 35
7			
Paid Cash to sundry persons for damages found in Sales for account of J. De Nones, of 3d and 4th inst.....		\$45 00	
6	Made allowance to Charles Lawrence, on account, on same sales,	10 00	55 00

Sold to S. H. Lovell on account, as per Sales Book, as follows :—			
6	20 tierces Rice, amounting to.....	\$245 00	
	50 boxes of De Nones' Fruit, at \$3.....	150 00	\$ 395 00
" "			
6	Paid Cash for our acceptance, No. 8, in favor of Lewis Clapier, being Walter Howard's Draft for		4,444 44
" "			
6	Received Cash of S. H. Lovell, for balance of account of January 24th,.....		250 00
10 ×			
Sold per L. M. Hoffman & Co., for Cash, De Nones' Consignment, as follows :—			
	150 boxes Lemons, .....at \$5.	\$ 750 00	
	110 " Oranges, .....at 3.80.....	418 00	
6	220 jars Olives,.....at .50.....	110 00	
		1,278 00	
	Auctioneer's Commission, at 3½ per cent.,.....	44 73	
	Net amount received,.....		1,233 27
" "			
6	Received to our account the remainder of De Nones' Invoice of Fruit, being 4,000 jars Olives, at market price—\$.50..		2,000 00
12			
Received Cash of Paul Harris, as follows :—			
7	For his Note, No. 5, now due,.....	\$325 00	
	For 1,000 jars Olives, sold him at \$.52½.....	525 00	850 00
14			
Rendered to Joseph De Nones, Cadiz, account-sales of Invoice of Fruit, received per Brig Clio, from which we obtain the following :— Charges posted,.....		7,127 14	
7	Our Commission on total Sales, \$4,314.27, at 5 per cent. is.....	\$ 215 71	
	Storage, Advertising, and Labor,.....	52 24	
	Net proceeds, due May 25/58.....	3,531 32	3,799 27

NEW YORK, MARCH 16, 1858.

9

7	Received from Lockhart and Arrott, New Orleans, account-sales of our shipment to them of Feb. 4 ; Net proceeds, ..	\$ 2,020	00
	----- " -----		
7	Received Cash for S. H. Lovell's Acceptance, No. 8, being William Blakeley's Draft,	251	37
	----- 18 -----		
7	Received Cash of Paul Harris, to be applied for him in buying Merchandise on joint account with us, as per agreement,	2,000	00
	----- 20 -----		
7	Bought of Bunker and Starr for Cash, in joint account with Paul Harris, 800 barrels Flour, as per Invoice Book, \$4,000, Of which Paul Harris's half is \$2,000 00 Our half is 2,000 00	4,000	00
	----- 21 -----		
7	Received of Paul Harris, to be sold in joint account, 500 barrels Flour, at \$4.75, amounting, per Invoice Book, to \$2,375 ; of which our half is	1,187	50
	----- 23 -----		
	Sold to E. K. Collins & Co. 500 barrels Flour in joint account with P. Harris, at \$6,	3,000	00
	Received payment as follows :—		
7	Our Note, No. 3, in favor of Rogers and Brothers, due April 19th, for \$2,100 00		
	Interest allowed us for 26 days, at 6 per cent. ... 9 10		
	2,090 90		
	Received the balance in Cash, 909 10	3,000	00
	----- 25 -----		
7	Paid Cash to C. C. Marsh, on account,	300	00
	----- 26 -----		
8	Bought of Brown, Brothers & Co. their Bill of Exchange on Brown, Shipley & Co., Liverpool, at twenty days' sight, for £1,000 sterling, (No. 13.) \$4,444 44		
	Exchange, at 8 per cent. prem. on \$4,444 44, ... 355 56	4,800	00
	(Forward,)		

10 NEW YORK, MARCH 26, 1858.

		(Brought,)		
8	Delivered to them in payment—			
	400 barrels Flour in joint account with Paul Harris, at \$6,	\$2,400 00		
	And Cash for the balance,	2,400 00	\$ 4,800	00
		27		
Sold to Oliver Otis & Co. 200 barrels Flour in joint account with P. Harris, at \$6, as per Sales Book,			1,200	00
8	Received of them in payment—			
	Their Draft at sight, on William Evans, which is accepted in account, for,	\$260 00		
	Their Note, No. 14, at 60 days, for	500 00		
	And Cash for the balance,	440 00	1,200	00
		28		
8	Bartered with Haven & Smith the balance of Flour in joint account with Paul Harris—200 barrels, at \$6.25, ...		1,250	00
	Received of them in exchange—			
	227 barrels Mackerel, at \$5.50,	\$1,248 50		
			1,250	00
		30		
Rendered to Paul Harris account-sales of Flour in joint account, showing the following result:—				
8	Our Commission on total Sales, \$7,850, at 2½ per cent., ...	\$ 196 25		
	Storage on 1300 barrels, 1 mo., at 3 cts.,	39 00		
	Net proceeds, \$7,614.75—of which P. Harris's half is (due May 3/58,)	3,807 37		
	Our half net proceeds is,	\$3,807 38		
	Our half cost is,	3,187 50		
	Our net gain is,	619 88	4,662	50

Paid Cash as follows :—			
8	For sundry expenses of Store last month, as per petty Cash Book,.....	\$162 00	
	To George Loder, for three months' rent of Warehouse,.....	300 00	\$ 462 00
2			
8	Received per Steamer Crescent City, from Lockhart & Arrott, New Orleans, pursuant to our order, for amt. of proceeds of Shipment to them 4th Feb., Invoice of 230 bales Cotton, amounting to.....	\$2,020 00	
	Paid Cash for Freight and expenses,.....	300 00	2,320 00
3			
0	Received of Irvine Fisher, to be sold for his account, Invoice of 300 bags of Laguayra Coffee, amounting to....		3,375 00
6			
Sold Fisher's Coffee as follows :—			
8	To S. H. Lovell, at 4 months, 75 bags, as per Sales Book,.....	\$1,350 00	
	To Oliver Otis & Co., on account, 50 bags, as per Sales Book,	810 00	2,160 00
7			
9	Renewed C. Bernard's Note, No. 1, for \$2,000, now due.		
	Received his Note, No. 15, for same amount, and Cash for 63 days' interest,.....		21 00
8			
9	Sold to H. Burrell & Co., for Cash, 100 bags Fisher's Coffee, as per Sales Book, \$1,440 ; which amount we have paid over to Irvine Fisher on account,.....		1,440 00
10			
9	Paid Cash to sundry persons for damages found in Sales of Fruit on account of Joseph De Nones, amounting to \$22 00		
	Allowed to ourselves for defects, &c., in 4,000 jars		
	Olives taken to our account March 10,.....	40 00	62 00

Received of S. H. Lovell, for bill of 6th inst., his Note, No. 16, at 4 months, for.....		\$ 1,350	00
9	Discounted the above Note for Irvine Fisher, and paid him in Cash,	\$1,322 33	
	In Discount, allowed us,	27 67	1,350 00
13			
Shipped per Brig Pilot, Milton, and consigned to Joseph Eaton, Boston, to be sold for our account, as follows:—			
9	115 bales Louisiana Cotton,	\$2,160 00	
	1,000 jars Olives,	at .50,	500 00
	50 bags Coffee of Fisher's Consignment taken to our account,	720 00	
	Paid Cash for Insurance and Shipping expenses,	120 00	3,500 00
14			
Received of Oliver Otis & Co., for sale of 6th inst., as follows:—			
9	Their order at sight on Irvine Fisher, which is accepted in account, for,	\$310 00	
	Cash.....amounting to.....	500 00	810 00
15			
Delivered to Thomas Blanchard, on account—			
9	Cash,	amounting to	\$500 00
	3 bags Fisher's Coffee, per Sales Book,	43	543 20
16			
9	Sold to Paul Harris, for Cash, the balance of Fisher's Coffee—22 bags, as per Sales Book,		316 80
"			
Rendered to Irvine Fisher account sales of his consignment of Coffee, showing the following result:—			
9	Total sales, \$4,680; on which our Commission, at 2½ per cent., is	\$ 117 00	
	Storage, Advertising, and Labor,	18 00	
	Net proceeds,	due April 20/58.....	4,545 00
			4,680 00

10	<p>Sold to Thomas Owen & Son, 150 tierces Rice, as per Sales Book, \$ 1,837 50</p> <p>Received of them in payment as follows:—</p> <p>Irvine Fisher's Note to them, No. 17, for \$1,200 00</p> <p>And Cash, amounting to 637 50</p>	<p>\$ 1,837 50</p> <p>1,837 50</p>
10	<p>Delivered to Irvine Fisher, for balance of his account, as follows:—</p> <p>His Note, No 17, due 20th inst., \$1,200 00</p> <p>And Cash, amounting to 245 00</p>	<p>1,445 00</p>
10	<p>Bought at auction of Wilmerdings & Mount, in joint account with Henry Austin, 500 doz. Madeira Wine, at \$10. Delivered in payment, as follows:—</p> <p>Our Note, No. 12, at 4 months, for \$2,033 33</p> <p>C. Bernard's Note, No. 9, for \$800 00</p> <p>J. Truman's Note, No. 10, for 500 00 1,300 00</p> <p>Amount of our $\frac{3}{4}$ interest in the Wine, 3,333 33</p> <p>Henry Austin paid W. & M. for his $\frac{1}{4}$, amtg. to 1,666 67</p>	<p>5,000 00</p> <p>5,000 00</p>
10	<p>Paid Cash as follows:—</p> <p>For 12 Opera Tickets, \$120 00</p> <p>For Discount on \$475 uncurrent money, $1\frac{3}{4}$ per ct. 8 31</p>	<p>128 31</p>
10	<p>Sold Brown Brothers & Co.'s Bill of Exchange, No. 13, on Brown, Shipley, & Co., Liverpool, drawn for £1,000 sterling, \$4,444 44</p> <p>Exchange at $8\frac{1}{2}$ per cent. premium, 377 78 \$4822 22</p> <p>Brokerage, $\frac{1}{4}$ per cent., 12 06</p> <p>Received in payment as follows:—</p> <p>Our Note, No. 10, in favor of J. R. Dallett & Co., due May 1st, for \$2,190 00</p> <p>Interest for 7 days allowed us, 2 55</p> <p>Allowed for the Note, 2,187 45</p> <p>Cash for the balance, 2,622 71</p>	<p>4,810 16</p> <p>4,810 16</p>

10	Renewed our Note, No. 9, in favor of C. Bernard, for \$800, by our Note No 13, for same amount and time, and paid Cash for 63 days' interest on new Note,	\$	8	40
10	Bought at auction of Gerard & Betts, 50 chests of Tea, amounting to \$4,325, and transferred the same to J. Percival for 3 per cent. advance, which is received in Cash, ..		141	75
10	Received in Cash for proceeds of Opera Tickets, bought on 21st inst.,		1,700	00
10	Received Cash enclosed in an anonymous letter addressed to us,		530	00
10	Received per Schooner Josephine, Whipple, from H. B. Walker & Co., Port au Prince, an invoice of 37 tons St. Domingo Hides, being net proceeds of our Consignment to them of Feb. 28, account sales now received, amounting to \$6,000 00 Value of the Freight per our Schooner, 200 00		6,200	00
11	Received per Schooner Josephine, Whipple, consigned to us by H. B. Walker & Co., Port au Prince, to be sold for their account, an invoice of 20,000 feet Mahogany, amounting to \$2,400; which we have taken to our account at the market price, 15 cts. per ft. \$3,000 00 Charges:— Freight per our Schooner, \$125 00 Expenses paid in Cash, 75 00 Our Commission on \$3,000, at 5 per ct. 150 00 350 00 Net proceeds due H. B. Walker & Co.,		2,650	00
11	Received Cash of Capt. Whipple for freight per Schooner Josephine, on her voyage to Port au Prince,		500	00

11	Paid Cash for Sundry expenses of Store this month, as per petty Cash Book,	\$ 200 00	
	“		
11	Received Cash of Harmony's Nephews & Co., for amount of Draft on them at sight, remitted to us by Joseph Ruiz, Puerto Principe, for collection, \$5,000 00		
	Our Commission, at $\frac{1}{4}$ per cent., 12 50	4,987 50	
	“		
11	Bought for Cash of A. Belmont, his Bill of Exchange, No. 18, at sixty days' sight, on Rothschild & Co., Paris, per order of H. B. Walker & Co., Port au Prince, to whom we have remitted the same :		
	Bill for 14,062.73 francs, exchange at fr. 5.32 per dollar, amounting to \$2,643 37		
	Our Commission on \$2,650, at $\frac{1}{4}$ per cent., 6 63	2,650 00	
	“		
11	Bought for Cash of B. Blanco, his Draft, No. 19, at 15 days' sight, on Francia & Co., Cadiz, and remitted the same to Joseph De Nones, Cadiz, for balance of account due him in Cadiz—\$3,469.32.		
	Face of the Draft, \$3,454 80		
	Exchange, at $1\frac{1}{2}$ per cent discount, 51 82		
	Paid for the Draft,	3,402 98	
	Interest for 25 days in our favor on \$3,469.32 due J. De Nones May 25/58.,	14 52	
	“		
11	Bought for Cash of Moses Taylor & Co., their Bill of Exchange, No. 20, at 30 days' sight, on Drake Brothers & Co., Havana, on account of Joseph Ruiz, Puerto Principe, to whom we have remitted the same :		
	Face of the Bill, \$5,050 63		
	Exchange, at $1\frac{1}{2}$ per ct. discount, favor J. Ruiz, . 75 75		
	Paid for the Bill, 4,974 88		
	Our Commission on \$5,050.63. at $\frac{1}{4}$ per cent., ... 12 62	4,987 50	

Bought for Cash of Jacob Little & Co.—			
11	10,500 Spanish Dollars,.....	\$10,500 00	
	At Premium of $\frac{3}{4}$ per cent.,.....	78 75	\$10,578 75
" "			
Balances of Interest in favor of the following, as per accounts current rendered to this date:—			
11	Thomas Blanchard, partner,.....	\$493 66	
	C. C. Marsh, "	297 69	791 35
" "			
11	Balance of Interest in our favor, as per account current rendered to C. Lawrence, to this date,		2 31
" "			
12	Balance of Interest in favor of Paul Harris, as per account current rendered him to this date,.....		6 67
" "			
CLOSING ENTRIES.			
Profit and Loss account must be debited for the following balances, being losses, as per Balance Sheet:—			
12	Store Fixtures, loss,.....	\$ 30 00	
	Store Expenses, loss,.....	662 76	
	Discount and Interest, loss,.....	612 53	1,305 29
" "			
Profit and Loss account must be credited for the following balances, being gains as per Balance Sheet:—			
	Merchandise, gain on sales,.....	\$ 3,562 86	
12	Schooner Josephine, gain,.....	874 00	
	Commission, gain,.....	782 79	
	Exchange, gain,.....	164 76	
	Shipment to N. Orleans, gain,.....	197 78	
	Shipm't to Port au Prince, gain,.....	1,890 44	7,472 63
" "			
The net gain accruing from the business the last four mos. as appears by the Profit and Loss account, is \$8,547.22—			
12	Of which Thomas Blanchard's half is.....	\$4,273 61	
	Of which C. C. Marsh's half is.....	4,273 61	8,547 22

	Balances of Property and Debts in our favor, as per Balance Sheet, as follows :—			
	Cash,	balance on hand,	\$26,274 07	
	Merchandise,	balance on hand,	15,000 00	
	Bills Receivable	balance on hand,	6,998 35	
12	Store Fixtures,	valued at	270 00	
	Schooner Josephine,	first cost,	5,000 00	
	Charles Lawrence,	balance in our favor, . . .	167 31	
	S. H. Lovell,	balance in our favor, . . .	395 00	
	Walter Howard,	balance in our favor, . . .	307 62	
	Shipment to Boston, no account sales,	3,500 00		
	Company 2 Merchandise, our $\frac{2}{3}$ on hand,	3,333 33	\$61,245 68	✓
	“			
	Balances in favor of Sundries, as per Balance Sheet :—			
12	Bills Payable,	Notes outstanding,	\$4,137 11	
	Paul Harris,	balance in his favor,	4,988 20	9,125 31
	“			
	The Balance account of April 30, 1858, shows the amount of our net capital—\$52,120.37; of which—			
12	Thomas Blanchard's share, as appears by his account is	\$31,144 07		
	C. C. Marsh's share, as appears by his account, is	\$20,976 30	52,120 37	
	MAY 10.			
	Amount of Salaries due the following Clerks in our employment :—			
13	C. J. Martin, from January 5 to 5th inst.,	\$300 00		
	John Sims, from February 1 to 1st inst.,	200 00	500 00	
	15			
13	Delivered to Paul Harris our Note, No. 16, at three mos., dated 1st inst., for part of balance of account, . .	\$1988 20		
	Interest added, 93 days,	30 81	2,019 01	

13	Bought of Strang, Adriance, & Co., 50 Shares Erie Railroad Stock, at \$80 per share,	\$ 4,000 00	
	Delivered to them in payment, our Draft on Joseph Eaton & Co., Boston, at three days' sight, for	4,020 10	
	Exchange allowed, at $\frac{1}{2}$ per cent. discount....	20 10	\$ 4,000 00
	18		
13	Received from Joseph Eaton & Co., Boston, account sales of our Consignment to them of April 13th ; Net proceeds.		4,600 00
	"		
13	Received from Joseph Eaton & Co., Boston, account current showing a balance of Interest in their favor of.....	\$ 25 00	
	Also, their Draft, No. 21, at 60 days, on Eagle & Hazard, accepted, for balance due us.....	554 90	579 90
	20		
13	Delivered our Note, No. 17, at seven months, to the Atlantic Mutual Insurance Co., for 2 per cent. premium on \$20,000 in open policy.....		401 25
	23		
	Shipped per Steamer Panama, Bailey, consigned to Simmons, Hutchinson, & Co., San Francisco, to be sold for the joint account of Henry Austin and ourselves, as follows :—		
	100 boxes refined Sugar.....	\$1,150 00	
	80 M. Havana Segars.....	1,440 00	
	10,500 Spanish Dollars	\$10,500 00	
	At 1 % premium.....	105 00	10,605 00
13	Paid Cash for Shipping expenses.....	125 00	
	Insured at the Atlantic Mutual Insurance Co., \$14,654, at 2 per cent. premium, entered on our Policy.....	293 04	13,613 04
	Of which our half is.....	6,806 52	
	Of which Henry Austin's half is.....	6,806 52	13,613 04

Bought Merchandise during this month, as per Invoice Book, as follows :—

On our Notes, viz. :—

No. 14 to T. Owen & Son, 4th, \$300 00
 " 15 to " " 6th, 200 00
 " 18 to Trujillo & Barreiras, .. 25th, 320 00
 " 19 to Harmony's Nephews &
 Co., 26th, 630 00
 " 20 to Spofford, Tileston, &
 Co., 28th, 270 00 1,720 00

13

On Account—

Of Henry Austin, 5th, \$200 00
 " " " 16th, 100 00 \$300 00
 Of James Truman, 10th, 212 00
 Of Edward G. Fail & Co., 13th, 375 00
 Of William Evans, 18th, 110 00
 " " " 25th, 175 00
 " " " 30th, 135 00 420 00
 Of Barclay & Livingston, 22d 550 00

\$ 3,577 00

Sold Merchandise during this month, as per Sales Book, as follows :—

For Notes, viz. :—

No. 22, on A. G. Beck, 15th, \$352 00
 " 23, on W. F. Mott, Jr., 20th, 415 00
 " 24, on A. Aranguran, 27th, 611 00 1,378 00

On Account—

14

To S. H. Lovell, 12th, \$310 00
 " " " 17th, 190 00 \$500 00
 To Paul Harris, 18th, \$150 00
 " " " 28th, 150 00
 " " " 30th, 255 00 \$555 00
 To Oliver Otis & Co., 20th, 562 50
 " Henry Austin, 22d, 337 50
 " Barclay & Livingston, 29th, 175 00

3,508 00

	Received Cash during this month, as per Cash Book, as follows :—		
	For Merchandise, amount of cash sales, this month,	\$1,266 00	
	For Notes due and discounted this month, viz. :—		
	No. 12,	for.. \$707 35	
14	" 14,	for.. 500 00	1,207 35
	For Discount and Interest, amount,	10 50	
	Of Oliver Otis & Co.,	23d, \$200 00	
	" " "	30th, 150 00	350 00
	Of Henry Austin,	28th,	150 00
	Of Charles Lawrence,	28th,	167 31
	Of S. H. Lovell,	30th,	300 00
	"		
	Paid Cash during this month, as per Cash Book, as follows :—		
	For Merchandise, cash purchases this month, ...	\$610 50	
	For our Notes, due this month, viz. :—		
	No. 14,	for \$300 00	
	" 15,	for 200 00	500 00
	For Discount and Interest, amount,	12 75	
	For Store Expenses,	amount,	75 95
	To Thomas Blanchard,	15th, \$ 98 23	
14	" " "	30th, 100 00	198 23
	To Paul Harris, his Draft at sight—		
	5th, for \$2,500 00		
	" " "	10th,	500 00 3,000 00
	To C. C. Marsh,	15th, 200 00	
	" " "	30th, 100 00	300 00
	To William Evans,	12th,	200 00
	" C. J. Martin,	16th,	150 00
	" John Sims,	16th,	100 00
	"		
14	An error occurred in a journal entry of April 30 (page 12), in which Paul Harris was charged for a balance of interest of \$6.67 when he should have been credited,		

\$ 3,451 16

5,147 43

13 34



NOTE.

IN this book consists the *science* of book-keeping—its entries are composed from those of the Day Book, and embrace only our debtors and creditors, arranged to facilitate our posting or transferring them to the Leger. This method, having the Day Book and Journal entries separate, relieves the book-keeper of a double task ; for when they are united, he has not only to point out the debtors and creditors of a transaction, but has also, and at the same moment, to state all the circumstances, which must of necessity be done in broken sentences. But by this plan or arrangement the book-keeper may give a pure and simple relation of any transaction and leave the debtors and creditors for a separate entry and future consideration.

In examining an account in the Leger, we need not go through this book to the Day Book, but we may refer, for any explanations, from the Leger (by the dates), directly to the Day Book entries.

Another Form of Journal will be found at the end of this.

NEW YORK, JANUARY 5, 1858. 1

	Sundries	Dr.	To Sundries.		
2	Cash.....		\$38,000 00		
5	Bills Receivable.....		4,670 00		
4	Merchandise.....		3,125 00		
10	Charles Lawrence.....		140 00	\$45,935	00
1	To Thomas Blanchard.....		28,000 00		
1	" C. C. Marsh.....		17,935 00	45,935	00
6	Sundries	Dr.	To Bills Payable.		
1	Thomas Blanchard.....		\$1,080 00		
1	C. C. Marsh.....		1,230 00	2,310	00
		7			
6	Store Fixtures	Dr.			
2	To Cash.....			300	00
		8			
10	Paul Harris	Dr.			
4	To Merchandise.....			325	00
		10			
5	Bills Receivable	Dr.			
4	To Merchandise.....			500	00
		12			
2	Cash	Dr.			
4	To Merchandise.....			125	00
		13			
11	Oliver Otis & Co.	Dr.			
4	To Merchandise.....			2,000	00
		14			
4	Merchandise	Dr.			
11	To Henry Austin.....			1,500	00
		"			
4	Merchandise	Dr.			
2	To Cash.....			800	00
		16			
4	Merchandise	Dr.			
6	To Bills Payable.....			2,100	00

2 NEW YORK, JANUARY 16, 1858.

4	Merchandise	Dr.	To Sundries.		
2	To Cash.....		\$2000, 00		
4	" Merchandise.....		1,200 00	\$ 3,200	00
		17			
12	James Truman	Dr.			
2	To Cash.....			1,000	00
		19			
11	Sundries	Dr.	To Oliver Otis & Co.		
5	Bills Receivable.....		\$1,000 00		
2	Cash.....		1,000 00	2,000	00
		20			
2	Cash	Dr.			
4	To Merchandise.....			250	00
		21			
5	Bills Receivable	Dr.			
10	To Paul Harris.....			325	00
		22			
2	Cash	Dr.			
12	To James Truman.....			1,000	00
		"			
11	Henry Austin	Dr.			
6	To Bills Payable.....			1,500	00
		24			
4	Sundries	Dr.	To Merchandise.		
12	S. H. Lovell.....		\$250 00		
2	Cash.....		160 00	410	00
		26			
4	Sundries	Dr.	To Merchandise.		
11	Oliver Otis & Co.....		\$200 00		
13	William Blakeley.....		200 00	400	00
		28			
5	Bills Receivable	Dr.	To Sundries.		
2	To Cash.....		\$2,000 00		
7	" Interest.....		121 00	2,121	00

NEW YORK, JANUARY 30, 1858.

3

6	Bills Payable	Dr.			
2	To Cash.....			\$ 1,230	00
FEBRUARY 2.					
6	Bills Payable	Dr.	To Sundries.		
4	To Merchandise.....			\$550	00
2	" Cash.....			525	32
7	" Discount.....			4	68
				1,080	00
8	Store Expenses,	Dr.			
2	To Cash,.....			65	00
				4	
16	Shipment to New Orleans	Dr.	To Sundries.		
4	To Merchandise,.....			\$1,722	22
2	" Cash,.....			100	00
				1,822	22
5	Bills Receivable	Dr.			
4	To Merchandise,.....			320	00
				9	
13	Sundries,	Dr.	To William Blakeley.		
2	Cash,.....			\$100	00
8	Profit and Loss,.....			100	00
				200	00
				12	
4	Merchandise	Dr.	To Sundries.		
10	To Charles Lawrence,.....			\$ 140	00
5	" Bills Receivable,.....			1,000	00
2	" Cash,.....			100	00
				1,240	00
13	William Blakeley,	Dr.			
5	To Bills Receivable,.....			500	00
				13	
4	Merchandise	Dr.	To Sundries.		
13	To Walter Howard,.....			\$4,888	89
6	" Bills Payable,.....			1,222	22
2	" Cash,.....			422	00
				6,533	11
13					
97					

4 NEW YORK, FEBRUARY 18, 1858.

	Sundries	Dr.	To Sundries.		
5	Bills Receivable,.....		\$251 37		
8	Profits and Loss,.....		250 00	\$ 501	37
13					
7	To William Blakeley.....		500 00		
	" Interest		1 37	501	37
		16			
13	Walter Howard	Dr.			
6	To Bills Payable.....			4,444	44
		17			
6	Bills Payable	Dr.			
4	To Merchandise.....			1,500	00
		20			
13	Walter Howard	Dr.	To Sundries.		
4	To Merchandise,.....		\$2,730 00		
2	" Cash,.....		160 15		
9	" Commission,.....		84 14	2,974	29
		"			
4	Merchandise	Dr.			
14	To William Evans.....			1,260	00
		21			
4	Merchandise	Dr.			
4	To Merchandise.....			1,530	00
		"			
5	Bills Receivable	Dr.			
6	To Bills Payable.....			800	00
		23			
4	Sundries	Dr.	To Merchandise.		
5	Bills Receivable,.....		\$ 500 00		
2	Cash,.....		120 00		
12	James Truman,.....		1,000 00	1,620	00
		24			
5	Bills Receivable	Dr.			
4	To Merchandise,.....			2,000	00
		"			
5	Sundries	Dr.	To Bills Receivable.		
2	Cash,.....		\$1,969 00		
7	Discount,.....		31 00	2,000	00

NEW YORK, FEBRUARY 25, 1858. 5

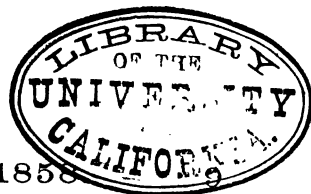
7	Schooner Josephine	Dr.	To Sundries.		
13	To Walter Howard		\$2,222 22		
9	" Exchange		177 78		
2	" Cash		2,600 00	\$ 5,000	00
		26			
14	William Evans	Dr.			
12	To James Truman			1,000	00
		"			
7	Schooner Josephine	Dr.			
2	To Cash			155	00
		27			
16	Shipment to Port au Prince	Dr.	To Sundries.		
4	To Merchandise		\$1,200 00		
6	" Bills Payable		2,190 00		
10	" Charles Lawrence		288 00		
7	" Schooner Josephine		230 00	3,908	00
		28			
16	Shipment to Port au Prince	Dr.	To Sundries.		
6	To Bills Payable		\$ 81 56		
2	" Cash		120 00	201	56
		"			
7	Schooner Josephine	Dr.			
2	To Cash			26	00
	MARCH 2.				
4	Sundries	Dr.	To Merchandise.		
11	Oliver Otis & Co.		\$500 00		
10	Charles Lawrence		288 00	788	00
		"			
8	Store Expenses	Dr.			
2	To Cash			45	00
		3			
17	De Nones' Consignmen'	Dr.			
2	To Cash			460	00

2	Cash	Dr.			
17	To De Nones' Consignment.....		\$ 456	00	
		4			
17	Sundries	Dr. To De Nones' Consign't.			
10	Charles Lawrence.....		\$175	00	
2	Cash.....		300	00	
		"			
2	Cash	Dr.			
5	To Bills Receivable.....		2,670	00	
		5			
5	Bills Receivable	Dr. To Sundries.			
11	To Oliver Otis & Co.....		\$700	00	
7	" Interest.....		7	35	
		7			
17	De Nones' Consignment	Dr. To Sundries.			
2	To Cash		\$45	00	
10	" Charles Lawrence.....		10	00	
		9			
12	S. H. Lovell	Dr. To Sundries.			
4	To Merchandise.....		\$245	00	
17	" De Nones' Consignment.....		150	00	
		"			
6	Bills Payable	Dr.			
2	To Cash.....		4,444	44	
		"			
2	Cash	Dr.			
12	To S. H. Lovell.....		250	00	
		10			
2	Cash	Dr.			
17	To De Nones' Consignment.....		1,233	27	
		"			
4	Merchandise	Dr.			
17	To De Nones' Consignment.....		2,000	00	

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2	Cash	Dr.	To Sundries.		
5	To Bills Receivable.....		\$325 00		
4	" Merchandise.....		525 00	\$ 850	00
		14			
17	De Nones' Consignment	Dr.	To Sundries.		
9	To Commission.....		\$ 215 71		
8	" Store Expenses.....		52 24		
14	" Joseph De Nones.....		3,531 32	3,799	27
		16			
14	Lockhart & Arrott	Dr.			
16	To Shipment to New Orleans.....			2,020	00
		"			
2	Cash	Dr.			
5	To Bills Receivable.....			251	37
		18			
2	Cash	Dr.			
10	To Paul Harris.....			2,000	00
		20			
2	Sundries	Dr.	To Cash.		
18	Company 1 Merchandise.....		\$2,000 00		
10	Paul Harris.....		2,000 00	4,000	00
		21			
18	Company 1 Merchandise	Dr,			
10	To Paul Harris.....			1,187	50
		23			
	Sundries	Dr.	To Sundries.		
6	Bills Payable.....		\$2,100 00		
2	Cash.....		909 10	3,009	10
18	To Company 1 Merchandise.....		3,000 00		
7	" Interest.....		9 10	3,009	10
		25			
1	C. C. Marsh	Dr.			
2	To Cash.....			300	00



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15	Irvine Fisher	Dr.			
17	To Fisher's Consignment.....		\$ 1,440	00	
		10			
14	Joseph De Nones	Dr.	To Sundries.		
2	To Cash		\$ 22	00	
4	" Merchandise.....		40	00	62 00
		11			
	Sundries	Dr.	To Sundries.		
5	Bills Receivable,.....		\$1,350	00	
15	Irvine Fisher.....		1,350	00	2,700 00
12	To S. H. Lovell.....		1,350	00	
2	" Cash,.....		1,322	33	
7	" Discount.....		27	67	2,700 00
		13			
16	Shipment to Boston	Dr.	To Sundries.		
4	To Merchandise,.....		\$2,660	00	
17	" Fisher's Consignment.....		720	00	
2	" Cash.....		120	00	3,500 00
		14			
11	Sundries	Dr.	To Oliver Otis & Co.		
15	Irvine Fisher.....		\$310	00	
2	Cash,.....		500	00	810 00
		15			
1	Thomas Blanchard	Dr.	To Sundries.		
2	To Cash		\$500	00	
17	" Fisher's Consignment.....		43	20	543 20
		16			
2	Cash	Dr.			
17	To Fisher's Consignment.....				316 80
		"			
17	Fisher's Consignment	Dr.	To Sundries.		
9	To Commission.....		\$ 117	00	
8	" Store Expenses.....		18	00	
15	" Irvine Fisher.....		4,545	00	4,680 00
		18			
4	Sundries	Dr.	To Merchandise.		
5	Bills Receivable,.....		\$1,200	00	
2	Cash.....		637	50	1,837 50

15	Irvine Fisher	Dr.	To Sundries.		
5	To Bills Receivable.....		\$1,200 00		
2	" Cash.....		245 00	\$ 1,445	00
		20			
18	Company 2 Merchandise	Dr.	To Sundries.		
6	To Bills Payable.....		\$2,033 33		
5	" Bills Receivable.....		1,300 00	3,333	33
		21			
3	Sundries,	Dr.	To Cash.		
8	Profit and Loss.....		120 00		
9	Exchange.....		8 31	128	31
		24			
	Sundries	Dr.	To Sundries.		
6	Bills Payable.....		\$2,190 00		
3	Cash.....		2,622 71		
9	Commission.....		12 06	4,824	77
5	To Bills Receivable.....		4,444 44		
9	" Exchange.....		377 78	4,824	77
7	" Interest.....		2 55		
		"			
7	Interest	Dr.			
3	To Cash.....			8	40
		27			
3	Cash	Dr.			
4	To Merchandise.....			141	75
		"			
3	Cash	Dr.			
8	To Profit and Loss.....			1,700	00
		"			
3	Cash	Dr.			
8	To Profit and Loss.....			530	00
		28			
4	Merchandise	Dr.	To Sundries.		
16	To Shipment to Port au Prince.....		\$6,000 00		
7	" Schooner Josephine.....		200 00	6,200	00

4	Merchandise	Dr.	To Sundries.		
15	To H. B. Walker & Co.....		\$2,650 00		
7	" Schooner Josephine.....		125 00		
3	" Cash.....		75 00		
9	" Commission.....		150 00	\$ 3,000	00
		29			
3	Cash	Dr.			
7	To Schooner Josephine.....			500	00
		30			
8	Store Expenses	Dr.			
3	To Cash.....			200	00
		"			
3	Cash	Dr.	To Sundries.		
15	To Joseph Ruiz.....		\$4,987 50		
9	" Commission.....		12 50	5,000	00
		"			
15	H. B. Walker & Co.	Dr.	To Sundries.		
3	To Cash.....		\$2,643 37		
9	" Commission.....		6 63	2,650	00
		"			
14	Joseph De Nones	Dr.	To Sundries		
3	To Cash.....		\$3,402 98		
9	" Exchange.....		51 82		
7	" Interest.....		14 52	3,469	32
		"			
15	Joseph Ruiz	Dr.	To Sundries.		
3	To Cash.....		\$4,974 88		
9	" Commission.....		12 62	4,987	50
		"			
9	Exchange	Dr.			
3	To Cash.....			78	75
		"			
7	Interest	Dr.	To Sundries.		
1	To Thomas Blanchard.....		\$493 66		
1	" C. C. Marsh.....		297 69	791	35
		"			
10	Charles Lawrence	Dr.			
7	To Interest.....			2	31

10	Paul Harris	Dr.			
7	To Interest.....			\$ 6	67
		"			
8	Profit and Loss	Dr.	To Sundries.		
6	To Store Fixtures.....		\$ 30 00		
7	" Discount and Interest.....		612 53		
8	" Store Expenses.....		662 76	1,305	29
		"			
8	Sundries	Dr.	To Profit and Loss.		
4	Merchandise.....		\$3,562 86		
7	Schooner Josephine.....		874 00		
9	Commission.....		782 79		
9	Exchange.....		164 76		
16	Shipment to New Orleans.....		197 78		
16	Shipment to Port au Prince.....		1,890 44	7,472	63
		"			
8	Profit and Loss	Dr.	To Sundries.		
1	To Thomas Blanchard.....		\$4,273 61		
1	" C. C. Marsh.....		4,273 61	8,547	22
		"			
19	Balances of April 30, 1850	Dr.	To Sundries.		
3	To Cash.....		\$26,274 07		
4	" Merchandise.....		15,000 00		
5	" Bills Receivable.....		6,998 35		
6	" Store Fixtures.....		270 00		
7	" Schooner Josephine.....		5,000 00		
10	" Charles Lawrence.....		167 31		
12	" S. H. Lovell.....		395 00		
13	" Walter Howard.....		307 62		
16	" Shipment to Boston.....		3,500 00		
12	" Company 2 Merchandise.....		3,333 33	61,245	68
		"			
19	Sundries	Dr.	To Balance of April 30, 1858.		
6	Bills Payable.....		\$4,137 11		
10	Paul Harris.....		4,988 20	9,125	31
		"			
19	Sundries	Dr.	To Balance of April 30, 1858.		
1	Thomas Blanchard.....		\$31,144 07		
1	C. C. Marsh.....		20,976 30	52,120	37

8	Store Expenses	Dr.	To Sundries.		
20	To C. J. Martin.....		\$300 00		
20	" John Sims.....		200 00	\$	500 00
		15			
6	Sundries	Dr.	To Bills Payable.		
10	Paul Harris.....		\$1,988 20		
7	Interest		30 81	2,019	01
		16			
20	Sundries	Dr.	To Joseph Eaton & Co.		
21	Erie Railroad Stock.....		\$4,000 00		
9	Exchange.....		20 10	4,020	10
		18			
20	Joseph Eaton & Co.	Dr.			
16	To Shipment to Boston.....			4,600	00
		"			
20	Sundries	Dr.	To Joseph Eaton & Co.		
7	Interest.....		\$ 25 00		
5	Bills Receivable,.....		554 90	579	90
		"			
21	Insurance	Dr.			
6	To Bills Payable			401	25
		23			
	Sundries	Dr.	To Sundries.		
21	Shipment to San Francisco (joint).....		\$ 6,806 52		
11	Henry Austin.....		6,806 52	13,613	04
4	To Merchandise		2,590 00		
3	" Cash		10,625 00		
21	" Exchange		105 00		
9	" Insurance.....		293 04	13,613	04
		30			
4	Merchandise	Dr.	To Sundries.		
6	To Bills Payable.....		\$1,720 00		
11	" Henry Austin.....	16th,	300 00		
12	" James Truman.....	10th,	212 00		
18	" E. G. Fail & Co.....	13th,	375 00		
14	" William Evans.....	30th,	420 00		
19	" Barclay & Livingston...	22nd,	550 00	3,577	00

4	Sundries	Dr.	To Merchandise.		
5	Bills Receivable,		\$1,378 00		
12	S. H. Lovell		17th, 500 00		
10	Paul Harris		30th, 555 00		
11	Oliver Otis & Co.		20th, 562 50		
11	Henry Austin		22nd, 337 50		
19	Barclay & Livingston		29th, 175 00	\$ 3,508	00
"					
3	Cash,	Dr.	To Sundries.		
4	To Merchandise,		\$1,266 00		
5	" Bills Receivable		1,207 35		
7	" Discount and Interest		10 50		
11	" Oliver Otis & Co.		30th, 350 00		
11	" Henry Austin		28th, 150 00		
10	" Charles Lawrence		28th, 167 31		
12	" S. H. Lovell		30th, 300 00	3,451	16
"					
3	Sundries,	Dr.	To Cash.		
4	Merchandise		\$ 610 50		
6	Bills Payable		500 00		
7	Discount and Interest		12 75		
8	Store Expenses		75 95		
1	Thomas Blanchard		30th, 198 23		
10	Paul Harris		10th, 3,000 00		
1	C. C. Marsh		30th, 300 00		
14	William Evans		12th, 200 00		
20	C. J. Martin		16th, 150 00		
20	John Sims		16th, 100 00	5,147	43
"					
7	Interest	Dr.			
10	To Paul Harris			13	34

JOURNAL AND DAY-BOOK.

B. & M.

1858.

[THIS book is a duplicate of a part of the preceding Day-book and Journal ;
and is introduced in order to show the form and style of entries when the two
books are combined.]

NOTE.

THIS book, or rather the following pages are introduced in order to furnish examples in the formation of entries when the Day-book and Journal are combined ; that is, the form and style of entries which embody the substance of both a journal and a day-book entry. When such a form is adopted, a book after the manner of the preceding day-book is dispensed with, or kept merely as a "blotter" or rough record. It is not as easy to give clear statements of transactions on this method as on that in which the two entries are distinct and separate ; but it is shorter and often adopted by old and experienced book-keepers. When the pupil understands the nature and object of the two entries separately, he will find little difficulty in uniting them if he desires to do so.

In order to exhibit the two methods of recording business transactions, the author has duplicated the transactions of January, February, and May, as given in the preceding day-book, and presents in this book the form and style of entries required by the transactions of those months, when the day-book and journal entries are embraced in one and the same entry and book. Several of the transactions being of a mixed or complicated nature are disposed of, in this book, in two or more entries.

It is not necessary to draw red lines under the names of the debtors and creditors, in the manner given in the entries in this book, but it is more ornamental, particularly in manuscript, and makes more prominent that portion of the record which is the journal entry ; the other portion consisting of explanatory sentences (the day-book part of the entry) is placed slightly in the rear.

There is supposed to be two columns for dollars and cents—ruled lines for the inner column are not given, in the present instance, for want of room.

* These words in italics must be understood (although never expressed) in every journal entry ; otherwise the debtors named in the entries would appear to owe the creditors that follow, instead of owing the owner of the books. See explanations of journalizing.

1	<u>SUNDRIES</u>	Dr.	<u>To THOMAS BLANCHARD</u>	28,000	00
	Received of him the following effects contributed as capital :				
2	<u>CASH</u>	deposited	\$26,000	00	
5	<u>BILLS RECEIVABLE</u> ..	Note No. 1, per Bill-Book...	2,000	00	28,000 00
	"				
1	<u>SUNDRIES</u>	Dr.	<u>To C. C. MARSH</u>	17,935	00
	Received of him the following effects contributed as capital :				
2	<u>CASH</u>	deposited	\$12,000	00	
5	<u>BILLS RECEIVABLE</u> ,	Note No. 2, per Bill-Book....	2,670	00	
4	<u>MERCHANDISE</u>	Bill of Hardware, as per Invoice-Book	3,125	00	
10	<u>CHARLES LAWRENCE</u>	balance of account...	140	00	17,935 00
	"				
6	<u>SUNDRIES</u>	Dr.	<u>To BILLS PAYABLE</u>	2,310	00
	For amount of the following individual Notes assumed by the firm : as per Bill-Book.				
1	<u>THOMAS BLANCHARD</u>	Note No. 1	\$1,080	00	
1	<u>C. C. MARSH</u>	Note No. 2	1,230	00	2,310 00
	7				
6	<u>STORE-FIXTURES</u> are*	Dr.	to us		
2	<i>We are Dr.</i> <u>To CASH</u>	<i>for</i>		300	00
	Paid W. Wharton for Bill of Fixtures. \$300 00				
	8				
10	<u>PAUL HARRIS</u>	Dr.			
4	<u>To MERCHANDISE</u>			325	00
	Sold Mdse to him at sixty days, as per Sales-Book				\$325 00

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3	BILLS RECEIVABLE	Dr.		
4	<u>To MERCHANDISE</u>		\$ 500	00
	Sold Mdse to Wm. Blakeley on his Note No. 3, at 30 days, as per Sales-Book.....		\$500	00
		12		
2	CASH	Dr.		
4	<u>To MERCHANDISE</u>		125	00
	Sold Mdse to S. H. Lovell for Cash, Sales- Book.....		\$125	00
		13		
11	OLIVER OTIS & Co.	Dr.		
4	<u>To MERCHANDISE</u>		2,000	00
	Sold Mdse to them to be paid for on 19th inst., as per Sales-Book.....		\$2000	00
		14		
4	MERCHANDISE	Dr.		
11	<u>To HENRY AUSTIN</u>		1,500	00
	Bought Mdse of him at thirty days, as per In- voice-Book		\$1,500	00
		"		
4	MERCHANDISE	Dr.		
2	<u>To CASH</u>		800	00
	Bought Mdse of Rogers & Bros., for Cash; In- voice-Book.....		\$800	00
		16		
4	MERCHANDISE	Dr.		
6	<u>To BILLS PAYABLE</u>		2,100	00
	Bought Mdse of Rogers & Bros., on our Note No. 3, at 90 days; as per Invoice-Book..		\$2,100	00

4	<u>MERCHANDISE</u>	Dr.	<u>TO SUNDRIES</u>	\$3,200	00
	Bought of C. Bernard an Invoice of Rice, per Invoice-Book—\$3,200—and paid him as follows :				
2	<u>TO CASH</u>	Amt. paid.....	\$2,000	00	
4	<u>TO MERCHANDISE</u> , Amt. of Sale to him, as				
		per Sales-Book.....	1,200	00	3,200 00
		17			
12	<u>JAMES TRUMAN</u>	Dr.			
2	<u>TO CASH</u>	lent to him until 22d		1,000	00
		19			
11	<u>SUNDRIES</u>	Dr.	<u>TO OLIVER OTIS & Co.</u>	2,000	00
	Received of them for balance of account, as follows :				
5	<u>BILLS RECEIVABLE</u>	Note No. 4, at 30 days for	\$1,000	00	
2	<u>CASH</u>	Amt. of	1,000	00	2,000 00
		20			
2	<u>CASH</u>	Dr.			
4	<u>TO MERCHANDISE</u>			250	00
	Sold Mdse to sundry persons this day—retail sales				\$250 00
		21			
5	<u>BILLS RECEIVABLE</u>	Dr.			
10	<u>TO PAUL HARRIS</u>			325	00
	Received of him his Note No. 5, at 60 days, dated 8th inst., for Bill of that date.....				\$325 00
		22			
2	<u>CASH</u>	Dr.			
12	<u>TO JAMES TRUMAN</u> , rec'd Cash of him for loan of 17th			\$1,000	00

NEW YORK, JANUARY 22, 1858.

11	<u>HENRY AUSTIN</u>	Dr.		
6	<u>TO BILLS PAYABLE</u>		\$1,500	00
	Delivered to him our Note No. 4, at 30 days, dated 14th inst., for amt. of Bill of that date <u>\$1,500 00</u>			
	24			
2	<u>SUNDRIES</u>	Dr.	<u>TO MERCHANDISE</u>	410 00
	Sold Mdse this day as follows, as per Sales-Book			
12	<u>S. H. LOVELL</u>	Bill of sundries.....	\$250	00
2	<u>CASH</u>	Retail sales.....	160	00
	26			
4	<u>SUNDRIES</u>	Dr.	<u>TO MERCHANDISE</u>	400 00
	Sold Mdse this day to the following, on account, as per Sales-Book :			
13	<u>WILLIAM BLAKELEY</u>	Bill of sundries.....	\$200	00
11	<u>OLIVER OTIS & Co.</u>	Bill of sundries.....	200	00
	28			
5	<u>BILLS RECEIVABLE</u>	Dr.	<u>TO SUNDRIES</u>	2,121 00
	Lent Cash to Jas. Truman, on his Note No. 6, at 12 mos., endorsed by P. Harris :			
2	<u>TO CASH</u>	Amt. lent.....	\$2,000	00
7	<u>TO INTEREST</u>	Amt. for 12 mos., at 6 Per cent. added.....	121	00
	30			
6	<u>BILLS PAYABLE</u>	Dr.		
2	<u>TO CASH</u>	Paid our Note No. 2, in favor of T. P. Cope & Son.....	1,230	00

6	<u>BILLS PAYABLE</u>	Dr.	<u>TO SUNDRIES</u>	\$1,080	00
	Paid our Note No. 1, in favor of H. Austin, due 28th inst., as follows :				
1	<u>TO MERCHANDISE</u> ,	Sold as per Sales-Book..		\$550	00
2	<u>TO CASH</u>	Amt. paid		525	32
7	<u>TO DISCOUNT</u>	26 days allowed, 6 per cent.		4	68
				1,080	00
	"-----				
8	<u>STORE-EXPENSES</u>	Dr.			
2	<u>TO CASH</u>	Paid for sundries last month, as per Petty Cash-Book.....		65	00
	4-----				
16	<u>SHIPMENT TO NEW ORLEANS</u>	Dr.	<u>TO SUNDRIES</u>	1,822	22
	Shipped per Brig Franklin, and consigned to Lockhart & Arrot, N. O., to be sold for our account, as follows :				
4	<u>TO MERCHANDISE</u> ..	Invoice of Hardware		\$1,722	22
2	<u>TO CASH</u>	Paid Ins. and expenses		100	00
				1,822	22
	6-----				
5	<u>BILLS RECEIVABLE</u>	Dr.			
4	<u>TO MERCHANDISE</u>			320	00
	Sold Mdse to C. Bernard, on his Note No. 7, at 6 months, as per Sales-Book.....				\$320 00
	9-----				
13	<u>SUNDRIES</u>	Dr.	<u>TO WILLIAM BLAKELEY</u>	200	00
	Received of him for balance of his account, as follows (he having failed) :				
2	<u>CASH</u>	Amt. received.....		\$100	00
8	<u>PROFIT AND LOSS</u>	Amt. lost.....		100	00
				200	00

4	<u>MERCHANDISE</u>	Dr.	<u>TO SUNDRIES</u>	\$1,240	00
	Bought of Haven & Smith an Invoice of Dry Goods; delivered to them in payment as follows:				
10	<u>TO CHAS. LAWRENCE</u> , Amt. of our Dft. on him, at sight.....		\$140 00		
5	<u>TO BILLS RECEIVABLE</u> , Amt. of O. Otis & Co's Note No. 4.....		1000 00		
2	<u>TO CASH</u> Amt. Paid.....		100 00	1,240	00
	"				
13	<u>WILLIAM BLAKELEY</u>	Dr.			
5	<u>TO BILLS RECEIVABLE</u> , For amt. of his Note No. 3, laid over.....			500	00
	13				
4	<u>MERCHANDISE</u>	Dr.	<u>TO SUNDRIES</u>	6,533	11
	Received per Stm. Washington, consigned to us for our account, by Walter Howard, London, an Invoice of Dry Goods:				
13	<u>TO WALTER HOWARD</u> , Amt. of £1100 Stg., at \$4 44.....		\$4,888 89		
6	<u>TO BILLS PAYABLE</u> Amt. of Duties and Bonds Nos. 5, 6, 7.....		1,222 22		
2	<u>TO CASH</u> Paid for freight.....		422 00	6,533	11
	"				
	<u>SUNDRIES</u>	Dr.	<u>TO SUNDRIES</u>		
	Received of W. Blakeley, in settlement of balance of his account of \$500 (he having failed):				
5	<u>BILLS RECEIVABLE</u> , Amt. of Draft on S. H. Lovell, at 30 days.....		\$251 37		
8	<u>PROFIT AND LOSS</u> .. Amt. lost.....		250 00	501	37
13	<u>TO W. BLAKELEY</u> , Balance of his account...		500 00		
7	<u>TO INTEREST</u> Amt. of 33ds., at 6 per cent. in the Draft.....		1 37	501	37

13	WALTER HOWARD, London,	Dr.		
6	To BILLS PAYABLE.....		\$4,444	44
	Accepted his Draft at 20 days' sight, in favor of Lewis Clapier, No. 8, for.....		\$4,444	44
	17			
6	BILLS PAYABLE	Dr.		
4	To MERCHANDISE.....		1,500	00
	Paid our Note No. 4, in favor of H. Austin, in Mdse, as per Sales-Book.....		\$1,500	00
	20			
13	WALTER HOWARD, London,	Dr.	To SUNDRIES	2,974 29
	Shipped per Stm. Atlantic, Capt. West, pursuant to his order, as follows :			
4	To MERCHANDISE—			
	Amt. of Flour....	\$1,260 00		
	Amt. of Rice.....	1,470 00	\$2,730 00	
2	To CASH....	Amt. of Insurance.. 85 15		
		Amt. of expenses... 75 00	160 15	
9	To COMMISSION, For Shipping and Insurance	84 14	2,974	29
	“			
4	MERCHANDISE	Dr.		
14	To WILLIAM EVANS.....		1,260	00
	For Amt. of Bill of Flour bought of him on ac- count (shipped to W. Howard), as per Invoice- Book.....		\$1,260	00
	21			
4	MERCHANDISE	Dr.		
4	To MERCHANDISE.....		1,530	00
	Amt. of Invoice of Dry Goods exchanged with C. Bernard, for same amt. in Rice, as per Invoice and Sales Books.....		\$1,530	00

5	<u>BILLS RECEIVABLE</u>	Dr.		
6	<u>To BILLS PAYABLE</u>		\$800	00
	Exchanged Notes with C. Bernard, for his accom- modation; Nos. 9 and 9, for.....			\$800 00
		23		
4	<u>SUNDRIES</u>	Dr.	<u>To MERCHANDISE</u>	1,620 00
	Sold Mdse to J. Truman, as per Sales-Book; re- ceived on account as follows:			
5	<u>BILLS RECEIVABLE</u> , Amt. of his Note No. 10, at 60			
	days.....		\$500	00
2	<u>CASH</u>	Amt. received.....	120	00
12	<u>JAMES TRUMAN</u>	Balance to be paid on 26th inst.	1,000	00
		24		
5	<u>BILLS RECEIVABLE</u>	Dr.		
4	<u>To MERCHANDISE</u>		2,000	00
	For Amt. of Sale to Strang, Adriance & Co., on their Note No. 11, at 90 days, as per Sales- Book			\$2,000 00
		"		
5	<u>SUNDRIES</u>	Dr.	<u>To BILLS RECEIVABLE</u>	2,000 00
	Discounted Strang, Adriance & Co.'s Note No. 11, as follows:			
2	<u>CASH</u>	Proceeds of Note.....	\$1,969	00
7	<u>DISCOUNT</u>	Amt. of 93 days, at 6 per cent.....	31	00
		25		
7	<u>SCHOONER JOSEPHINE</u>	Dr.	<u>To SUNDRIES</u>	5,000 00
	Bought said Schooner of Capt. Caleb Davis; delivered in payment as follows:			
13	<u>To WALTER HOWARD</u> , Amt. of our Dft. on him at 60			
	days' sight, £500 Stg. at \$4 44..		\$2,222	22
9	<u>To EXCHANGE</u>	8 per cent. premium on £500	177	78
2	<u>To CASH</u>	Amt. paid.....	2,600	00

14	<u>WILLIAM EVANS</u> Dr.		
12	<u>TO JAMES TRUMAN</u>	\$1,000	00
	For amt. of his draft at sight, on the former accepted in account.....	\$1,000	00
	“		
7	<u>SCHOONER JOSEPHINE</u> Dr.		
2	<u>TO CASH</u>	155	00
	Paid sundry Bills for her account.....	\$155	00
	27		
16	<u>SHIPMENT TO PORT AU PRINCE</u> Dr. <u>TO SUNDRIES</u>	3,908	00
	For amt. of the following shipped per Schr. Josephine, consigned to H. B. Walker & Co., Port au Prince, to be sold for our account:		
4	<u>TO MERCHANDISE</u> —		
	Domestic Goods....	\$1,200	00
	Soap and Candles...	2,190	00
	Cheese	288	00
		\$3,678	00
7	<u>TO SCHOONER JOSEPHINE</u> —		
	Estimated amt. of Freight on the above articles to her Credit.....	230	00
	“	3,908	00
4	<u>MERCHANDISE</u> Dr.		
6	<u>TO BILLS PAYABLE</u>	2,190	00
	For Amt. of Bill of Soap and Candles, bought of J. R. Dallett & Co., on our Note No. 10, at 60 days (part of above shipment), as per Invoice-Book	\$2,190	00
	“		
4	<u>MERCHANDISE</u> Dr.		
10	<u>TO CHARLES LAWRENCE</u>	288	00
	Amt. of Bill of Cheese bo't of him on acct. (part of above shipment), per Invoice-Book ..	\$288	00

NEW YORK, FEBRUARY 28, 1858.

16	<u>SHIPMENT TO PORT AU PRINCE</u> Dr. <u>To SUNDRIES</u>	\$ 201	56
	For amt. of the following additional expenses on Invoice shipped per Josephine, 27th inst.		
6	<u>To BILLS PAYABLE</u> , Amt. of our Note No. 11, to Phoenix Insurance Company, for 2 per cent. on \$4,028 and policy.....\$81 56		
2	<u>To CASH</u> ...Amt. paid for shipping expenses...120 00	201	56
	— " —		
7	<u>SCHOONER JOSEPHINE</u> Dr.		
2	<u>To CASH</u> ..For amt. of one half per cent. and policy on \$5,000, paid Atlantic Insurance Co.	26	00
	 MAY 10.		
8	<u>STORE-EXPENSES</u> Dr. <u>To SUNDRIES</u>	500	00
	For amt. of salaries due the following clerks in our employment:		
20	<u>To C. J. MARTIN</u>.....Amt. to 5th inst. ....\$300 00		
20	<u>To JOHN SIMS</u>.....Amt. to 1st inst. 200 00	500	00
	— 15 —		
6	<u>SUNDRIES</u> Dr. <u>To BILLS PAYABLE</u>	2,019	01
	For amt. of our Note No. 16, dated 1st inst., at 90 days, delivered to P. Harris, for part of balance of his account :		
10	<u>PAUL HARRIS</u> , For part of balance due him.....\$1,988 20		
7	<u>INTEREST</u>.....For 93 days, at 6 per cent., in Note 30 81	2,019	01
	— 16 —		
20	<u>SUNDRIES</u> Dr. <u>To JOSEPH EATON & Co.</u>	4,020	10
	For amt. of our draft on them, at three days' sight, passed to Strang, Adriance & Co., in payment of Erie Rail Road Stock :		
21	<u>ERIE R. R. STOCK</u> , Amt. of 50 shares at \$80.....\$4,000 00		
9	<u>EXCHANGE</u> ... $\frac{1}{2}$ per cent. discount allowed on Dft. .. 20 10	4,020	10

20	<u>JOSEPH EATON & Co., Boston.</u>	Dr.		
16	<u>TO SHIPMENT TO BOSTON</u>		\$4,600	00
	For amt. of net proceeds of consignment to them of April 13th, per account sales, received this day.....		\$4,600	00
	“			
20	<u>SUNDRIES</u>	Dr.	<u>TO JOSEPH EATON & Co.</u>	579 90
	Received from them our account current, and re- mittance for balance.			
5	<u>BILLS RECEIVABLE</u> , Amt. of Dft., at 60 days' sight, on En- gle & Hazard, accepted.....		\$554	90
7	<u>INTEREST</u> Balance in their favor per acct. current		25	00
		20		
21	<u>INSURANCE</u>	Dr.		
6	<u>TO BILLS PAYABLE</u>		401	25
	For amt. of our Note No. 17, passed to Atlantic Insurance Company, 2 per cent. premium on \$20,000, in open policy.....		\$401	25
		23		
	<u>SUNDRIES</u>	Dr.	<u>TO SUNDRIES</u>	
	Shipped per Stm. Panama, consigned to Simmons & Co., San Francisco, to be sold for the joint account of H. Austin and ourselves; as follows:			
21	<u>SHIPMENT TO SAN FRANCISCO, JT. AC.</u> , For amt. of our half interest in said Shipment..		\$6,806	52
11	<u>HENRY AUSTIN</u> ... For amt. of his half interest ad- vanced by us.....		6,806	52
			13,613	04
4	<u>TO MERCHANDISE</u> —			
	100 boxes Sugar....	\$1,150	00	
	80 M. Havana Cigars	1,440	00	2,590 00
3	<u>TO CASH</u>	10,500	Spanish dollars....	10,500 00
21	<u>TO EXCHANGE</u> , 1 per cent. prem. on do. ..	105	00	
3	<u>TO CASH</u> For Shipping expenses...	125	00	
9	<u>TO INSURANCE</u> , For 2 per cent. prem. on \$14,654, entered on our open policy	293	04	13,613 04


4	<u>MERCHANDISE</u>	Dr.	<u>TO SUNDRIES</u>	\$3,577	06
	Bought Mdse during this month, as per Invoice-Book, as follows:				
6	<u>TO BILLS PAYABLE</u> , For amt. of our Notes, viz. :—				
	No. 14, to T. Owen & Son..\$300 00				
	No. 15, to T. Owen & Son.. 200 00				
	No. 18, to Trujillo & B. ... 320 00				
	No. 19, to Harmony & Nephs 630 00				
	No. 20, to Spofford & T. ... 270 00				\$1,720 00
11	<u>TO HENRY AUSTIN</u> , Bill of 5th..\$200 00				
	Bill of 16th 100 00				300 00
12	<u>TO JAMES TRUMAN</u> .....Bill of 10th....				212 00
18	<u>TO E. G. FAIL & Co.</u> ....Bill of 13th....				375 00
14	<u>TO WILLIAM EVANS—</u>				
	Bill of 18th...\$110 00				
	Bill of 25th... 175 00				
	Bill of 30th... 135 00				420 00
19	<u>TO BARCLAY & LIVINGSTON</u> , Bill of 22d				550 00
					3,577 00
4	<u>SUNDRIES</u>	Dr.	<u>TO MERCHANDISE</u>	3,508	00
	Sold Mdse during this month, as per Sales-Book, as follows:				
5	<u>BILLS RECEIVABLE</u> , For amt. of Notes, viz. :—				
	No. 23, A. G. Beck.....\$352 00				
	No. 23, W. F. Mott..... 415 00				
	No. 24, Aranguran & Co. 611 00				\$1,378 00
12	<u>S. H. LOVELL</u> .....Bill of 12th.....				310 00
	Bill of 17th..... 190 00				500 00
10	<u>PAUL HARRIS</u> .....Bill of 18th.....				150 00
	Bill of 28th..... 150 00				
	Bill of 30th..... 255 00				555 00
11	<u>OLIVER OTIS & Co.</u> , Bill of 20th.....				562 50
12	<u>HENRY AUSTIN</u>.....Bill of 22d.....				387 50
19	<u>BARCLAY & LIVINGSTON</u> ....Bill of 29th.....				175 00
					3,508 00

NEW YORK, MAY 30, 1858.

13

3	<u>CASH</u>	Dr.	<u>TO SUNDRIES</u>	\$3,450	92
	Received Cash during this month, as per Cash-Book, on account of the following :				
4	<u>TO MERCHANDISE</u>	Amt. of Cash			
	Sales this month.....		\$1,266 00		
5	<u>TO BILLS RECEIVABLE</u> ...	Amt. of Notes			
	due or discounted this month :—				
	No. 12.....	\$707 35			
	No. 14.....	500 00	1,207 35		
7	<u>TO DISCOUNT AND INTEREST—</u>				
	Amt. this month.....		10 50		
11	<u>TO OLIVER OTIS & CO.</u> ..22d. .	\$200 00			
	23d....	150 00	350 00		
10	<u>TO CHARLES LAWRENCE</u> , 28th.....		167 07		
12	<u>TO S. H. LOVELL</u>.....30th.....		300 00		
11	<u>TO HENRY AUSTIN</u>.....28th.....		150 00	3,450	92
<hr/>					
3	<u>SUNDRIES</u>	Dr.	<u>TO CASH</u>	5,147	43
	Paid Cash during this month, as per Cash-Book, on account of the following :				
4	<u>MERCHANDISE</u> , Amt. of Cash purchases this month..		\$610 50		
6	<u>BILLS PAYABLE</u>	Amt. of our Notes, due this month—			
	No. 14. .	\$300 00			
	No. 15. .	200 00	500 00		
7	<u>DISCOUNT AND INTEREST</u> ..	Amt.	12 75		
8	<u>STORE-EXPENSES</u>	Amt.	75 95		
1	<u>THOMAS BLANCHARD</u>	18th.....	\$98 23		
		30th.....	100 00	198 23	
10	<u>PAUL HARRIS</u>	5th.....	\$2,500 00		
		10th.....	500 00	3,000 00	
1	<u>C. C. MARSH</u>	15th.....	200 00		
		30th.....	100 00	300 00	
13	<u>WILLIAM EVANS</u>	12th.....	200 00		
20	<u>C. J. MARTIN</u>	16th.....	150 00		
20	<u>JOHN SIMS</u>	16th.....	100 00	5,147	43

NEW YORK, MAY 30, 1858.

7	INTEREST	Dr.	
10	To PAUL HARRIS.....		\$ 13 34
Amt. of error in Journal (April 30), in which P. H. was charged for balance of interest of \$6 67, when he should have been credited.....\$13 34			
			

This Book belongs
To
James Bailey
Nov 25 1858



NOTE.

THIS is the Book of Accounts ; the book that shows the results of all our mercantile transactions condensed and brought together under their different heads. On one folio we may see what our merchandise cost and what it sold for ; on another, the amount of our notes issued and redeemed ; on another, the amounts a person owes us and those we owe him. Thus we may turn over its pages and see at one view the amounts that all persons, properties, or objects, and branches of our business, owe to us or have cost us, and all that we owe to them or that they have produced us.

The balance sheet (designed to show the state of our affairs), exhibiting our assets and liabilities, our gains and losses, and our net capital, is made out from this book.

The trial balance (a paper made to prove the postings, additions, and subtractions in this book), is made out from this book, monthly or quarterly.

The entries in this book are brought from the Journal, daily, weekly, or monthly, as occasions require.

Accounts current are made from this book with reference from the accounts (by dates) direct to the Day Book for explanations.

*** The width of the pages, in this Leger, does not admit *both sides* of an account on one page ; in Blank books it is generally otherwise.

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DR.

THOMAS

1888.					
Jan.	5	To Bills Payable	1	\$ 1,080	00
April	15	" Sundries	9	543	20
"	30	" Balance	12	31,144	07
				32,767	27
1889.					
May	30	To Cash	14	\$ 198	22

DR.

CHRISTOPHER.

1888.					
Jan.	5	To Bills Payable	1	\$ 1,230	00
March	25	" Cash	7	300	00
April	30	" Balance	12	20,976	30
				22,506	30
1889.					
May	30	To Cash	14	\$ 300.	00

BLANCHARD.

CR.

1

1858.					
Jan.	5	By Sundries.....	1	\$28,000	00
April	30	" Interest.....	11	493	66
"	30	" Profit and Loss.....	12	4,273	61
				32,767	27
1858.					
April	30	By Balance.....		\$31,144	07

C. MARSH.

CR.

1858.					
Jan.	5	By Sundries.....	1	\$17,935	00
April	30	" Interest.....	11	297	69
"	30	" Profit and Loss.....	12	4,273	61
				22,506	30
1858.					
April	30	By Balance.....		\$20,976	30

1888.					
Jan.	5	To Sundries	1	\$ 38,000	00
"	12	" Merchandise	1	125	00
"	19	" Oliver Otis & Co.....	2	1,000	00
"	20	" Merchandise	2	250	00
"	22	" James Truman	2	1,000	00
"	24	" Merchandise	2	160	00
		* 40,535 00			
Feb.	9	" William Blakeley	3	100	00
"	23	" Merchandise	4	120	00
"	24	" Bills Receivable	5	1,969	00
		43,794 00			
March	3	" De Nones' Consignment.....	6	456	00
"	4	" De Nones' Consignment.....	6	300	00
"	4	" Bills Receivable	6	2,670	00
"	9	" S. H. Lovell	6	250	00
"	10	" De Nones' Consignment.....	6	1,233	27
"	12	" Sundries	7	850	00
"	16	" Bills Receivable	7	251	37
"	18	" Paul Harris	7	2,000	00
"	23	" Sundries	7	909	10
"	27	" Company 1 Merchandise	8	440	00
"	28	" Company 1 Merchandise	8	1	50
		52,085 24			
April	7	" Interest	8	21	00
"	14	" Oliver Otis & Co.....	9	500	00
"	16	" Fisher's Consignment.....	9	316	80
"	18	" Merchandise	10	637	50
Carried forward.....				53,560	54
* Pencil figures.					

1888.					
Jan.	7	By Store Fixtures	1	\$ 300	00
"	14	" Merchandise	1	800	00
"	16	" Merchandise	2	2,000	00
"	17	" James Truman	2	1,000	00
"	28	" Bills Receivable	2	2,000	00
"	30	" Bills Payable	3	1,230	00
Feb.	2	" Bills Payable	3	525	32
"	2	" Store Expenses	3	65	00
"	4	" Shipment to New Orleans	3	100	00
"	12	" Merchandise	3	100	00
"	13	" Merchandise	3	422	00
"	20	" Walter Howard	4	160	15
"	25	" Schooner Josephine	5	2,600	00
"	26	" Schooner Josephine	5	155	00
"	28	" Shipment to Port au Prince	5	120	00
"	28	" Schooner Josephine	5	26	00
March	2	" Store Expenses	5	45	00
"	3	" De Nones' Consignment	6	460	00
"	7	" De Nones' Consignment	6	45	00
"	9	" Bills Payable	6	4,444	44
"	20	" Sundries	7	4,000	00
"	25	" C. C. Marsh	7	300	00
"	26	" Sundries	8	2,400	00
April	1	" Store Expenses	8	462	00
"	2	" Merchandise	8	300	00
"	10	" Joseph De Nones	9	22	00
"	11	" Sundries	9	1,322	33
"	13	" Shipment to Boston	9	120	00
"	15	" Thomas Blanchard	9	500	00
"	18	" Irvine Fisher	10	245	00
		Carried forward		26,269	24

1885.		Brought forward.....		\$ 53,560	54
April	24	To Sundries.....	10	2,622	71
"	27	" Merchandise.....	10	141	75
"	27	" Profit and Loss.....	10	1,700	00
"	27	" Profit and Loss.....	10	530	00
"	29	" Schooner Josephine.....	11	500	00
"	30	" Sundries.....	11	5,000	00
				64,055	00
<hr/>					
1886.					
April	30	To Balance.....		\$ 26,274	07
May	30	" Sundries.....	14	3,451	16

1888.		Brought forward.....		\$ 26,269	24
April	21	By Sundries	10	128	31
"	24	" Interest.....	10	8	40
"	28	" Merchandise.....	11	75	00
"	30	" Store Expenses.....	11	200	00
"	30	" H. B. Walker & Co.....	11	2,643	37
"	30	" Joseph De Nones	11	3,402	98
"	30	" J. Ruiz	11	4,974	88
"	30	" Exchange	11	78	75
"	30	" Balance \$7,160 94	12	26,274	07
				64,055	00
1888.					
May	23	By Sundries.....	13	\$ 10,625	00
"	30	" Sundries.....	14	5,147	43

1868.						
Jan.	8	By Paul Harris	1	\$	325	00
"	10	" Bills Receivable	1		500	00
"	12	" Cash	1		125	00
"	13	" Oliver Otis & Co	1		2,000	00
"	16	" Merchandise	2		1,200	00
"	20	" Cash	2		250	00
"	24	" Sundries	2		410	00
"	26	" Sundries	2		400	00
		5,910 00				
Feb.	2	" Bills Payable	3		550	00
"	4	" Shipment to New Orleans	3		1,722	22
"	6	" Bills Receivable	3		320	00
"	17	" Bills Payable	4		1,500	00
"	20	" Walter Howard	4		2,730	00
"	21	" Merchandise	4		1,530	00
"	23	" Sundries	4		1,620	00
"	24	" Bills Receivable	4		2,000	00
"	27	" Shipment to Port au Prince	5		1,200	00
		18,382 22				
March	2	" Sundries	5		788	00
"	9	" S. H. Lovell	6		245	00
"	12	" Cash	7		525	00
		19,940 22				
April	10	" Joseph De Nones	9		40	00
"	13	" Shipment to Boston	9		2,660	00
"	18	" Sundries	9		1,837	50
"	27	" Cash	10		141	75
"	30	" Balance	12		15,000	00
					39,619	47
1869.						
May	23	By Sundries	13	\$	2,590	00
"	30	" Sundries	14		3,508	00
"	30	" Cash	14		1,266	00

DR.

BILLS

1883					
Jan.	5	To Sundries	1	\$ 4,670	00
"	10	" Merchandise	1	500	00
"	19	" Oliver Otis & Co.	2	1,000	00
"	21	" Paul Harris	2	325	00
"	28	" Sundries	2	2,121	00
Feb.	6	" Merchandise	3	320	00
"	13	" Sundries	4	251	37
"	21	" Bills Payable	4	800	00
"	23	" Merchandise	4	500	00
"	24	" Merchandise	4	2,000	00
March	5	" Sundries	6	707	35
"	26	" Sundries	8	4,444	44
"	27	" Company 1 Merchandise	8	500	00
April	11	" Sundries	9	1,350	00
"	18	" Merchandise	9	1,200	00
				20,689	16
1888.					
April	30	To Balance		\$ 6,998	35
May	18	" J. Eaton & Co.	13	554	90
"	30	" Merchandise	14	1,378	00

PAYABLE.

CR.

6

1888					
Jan.	5	By Sundries	1	\$ 2,310	00
"	16	" Merchandise	1	2,100	00
"	22	" Henry Austin	2	1,500	00
Feb.	13	" Merchandise	3	1,222	22
"	16	" Walter Howard	4	4,444	44
"	21	" Bills Receivable	4	800	00
"	27	" Shipment to Port au Prince	5	2,190	00
"	28	" Shipment to Port au Prince	5	81	56
April	20	" Company 2 Merchandise	10	2,033	33
				16,681	55
1889.					
April	30	By Balance		\$ 4,137	11
May	16	" Sundries	13	2,019	01
"	18	" Insurance	13	401	25
"	30	" Merchandise	13	1,720	00

FIXTURES.

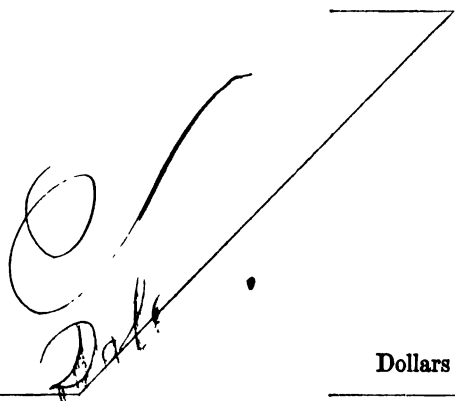
CR.

1888.					
April	30	By Profit and Loss	12	\$ 30	00
"	30	" Balance	12	270	00
				300	00

7

DR.

DISCOUNT AND

1888.						
Feb.	24	To Bills Receivable	4	\$	31	00
April	24	" Cash	10		8	40
"	30	" Sundries	11		791	35
						
				Dollars	830	75
1888.						
May	15	To Bills Payable	13	\$	30	81
"	18	" J. Eaton & Co.	13		25	00
"	30	" Cash	14		12	75
"	30	" Paul Harris	14		13	34

DR.

SCHOONER

1888.						
Feb.	25	To Sundries	5	\$	5,000	00
"	26	" Cash	5		155	00
"	28	" Cash	5		26	00
April	30	" Profit and Loss	12		874	00
				Dollars	6,055	00
1888.						
April	30	To Balance		\$	5,000	00

8

DR.

STORE

1888.						
Feb.	2	To Cash	3	\$	65	00
March	2	" Cash	5		45	00
April	1	" Cash	8		462	00
"	30	" Cash	11		200	00
					772	00
1889.						
May	10	To Sundries	13	\$	500	00
"	30	" Cash	14		75	95

DR.

PROFIT

1888.						
Feb.	9	To William Blakeley	3	\$	100	00
"	13	" Sundries	4		250	00
April	21	" Cash	10		120	00
"	30	" Sundries	12		1,305	29
"	30	" Sandries	12		8,547	22
					10,322	51

EXPENSES.

CR.

8

1888.						
March	14	By De Nones' Consignment.....	7	\$	52	24
"	30	" Company 1 Merchandise.....	8		39	00
April	16	" Fisher's Consignment.....	9		18	00
"	30	" Profit and Loss.....	12		662	76
					772	00

AND LOSS.

CR.

1888.						
March	30	By Company 1 Merchandise.....	8	\$	619	88
April	27	" Cash	10		1,700	00
"	27	" Cash	10		530	00
"	30	" Sundries	12		7,472	63
					10,322	51

9

DR.

COMMISSION.

[illegible]

DR.

EXCHANGE.

1888					
March	26	To Sundries	8	\$ 355	56
April	21	" Cash	10	8	31
"	30	" Cash	11	78	75
"	30	" Profit and Loss	12	164	76
				607	38
1889.					
May	16	To J. Eaton & Co.....	13	\$ 20	10

CR. 9

1858.					
Feb.	20	By Walter Howard	4	\$ 84	14
March	14	" De Nones' Consignment	7	215	71
"	30	" Company 1 Merchandise	8	196	25
April	16	" Fisher's Consignmemt	9	117	00
"	28	" Merchandise	11	150	00
"	30	" Cash	11	12	50
"	30	" H. B. Walker & Co	11	6	63
"	30	" Joseph Ruiz	11	12	62
				794	85

CR.

1858.					
Feb.	25	By Schooner Josephine	5	177	78
April	24	" Sundries	10	377	78
"	30	" Joseph De Nones	11	51	82
				607	38

1858.					
May	23	By Sundries	13	105	00

10

DR.

CHARLES

1888.					
Jan.	5	To Sundries	1	\$ 140	00
March	2	" Merchandise	5	288	00
"	4	" De Nones' Consignment	6	175	00
April	30	" Interest	11	2	31
				605	31
1889.					
April	30	To Balance.....		\$ 167	31

DR.

PAUL

1888.					
Jan.	8	To Merchandise	1	\$ 325	00
March	20	" Cash	7	2,000	00
April	30	" Interest.....	12	6	67
"	30	" Balance.....	12	4,988	20
				7,319	87
1889.					
May	15	To Bills Payable	13	\$ 1,988	20
"	30	" Merchandise	14	555	00
"	30	" Cash	14	3,000	00

LAWRENCE.

CR.

10

1858.						
Feb.	12	By Merchandise	3	\$ 140	00	
"	27	" Shipment to Port au Prince	5	288	00	
March	7	" De Nones' Consignment	6	10	00	
April	30	" Balance	12	167	31	
				605	31	
1858.						
May	28	By Cash	14	\$ 167	31	

HARRIS.

CR.

1858.						
Jan.	21	By Bills Receivable	2	\$ 325	00	
March	18	" Cash	7	2,000.	00	
"	21	" Company 1 Merchandise	7	1,187	50	
"	30	" Company 1 Merchandise	8	3,807	37	
				7,319	87	
1858.						
April	30	By Balance		\$ 4,988	20	
May	30	" Interest	14	13	34	

11

DR.

OLIVER

1888.					
Jan.	13	To Merchandise	1	\$ 2,000	00
"	26	" Merchandise.....	2	200	00
March	2	" Merchandise	5	500	00
April	6	" Fisher's Consignment.....	8	810	00
				3,510	00
1889.					
May	20	To Merchandise	14	\$ 562	50

DR.

HENRY

1888.					
Jan.	22	To Bills Payable	2	\$ 1,500	00
1889.					
May	23	To Sundries	13	\$ 6,806	52
"	22	" Merchandise	14	337	50

OTIS & CO.

CR.

11

1888.					
Jan.	19	By Sundries	2	\$ 2,000	00
March	5	" Bills Receivable	6	700	00
April	14	" Sundries	9	810	00
				3,510	00
1889.					
May	30	By Cash	14	\$ 350	00

AUSTIN.

CR.

1888.					
Jan.	14	By Merchandise	1	\$ 1,500	00
1889.					
May	16	By Merchandise	13	\$ 300	00
"	28	" Cash	14	150	00

TRUMAN.

CR.

12

1858.						
Jan.	22	By Cash	2	\$ 1,000	00	
Feb.	26	" William Evans	5	1,000	00	
				2,000	00	
1858.						
May	10	By Merchandise	13	\$ 212	00	

LOVELL.

CR.

1858.						
March	9	By Cash	6	\$ 250	00	
April	11	" Sundries	9	1,350	00	
"	30	" Balance	12	395	00	
				\$ 1,995	00	
1858.						
May	30	By Cash	14	\$ 300	00	

13

DR.

WILLIAM

1888.						
Jan.	26	To Merchandise.....	2	\$	200	00
Feb.	12	" Bills Receivable	3		500	00
					700	00

DR.

WALTER

1889.						
Feb.	16	To Bills Payable.....	4	\$	4,444	44
"	20	" Sundries.....	4		2,974	29
					7,418	73
April	30	To Balance		\$	307	62

BLAKELEY,

CR.

13

1858.					
Feb.	9	By Sundries.....	3	\$ 200	00
"	13	" Sundries.....	4	500	00
				700	00

HOWARD, London.

CR.

1858.					
Feb.	13	By Merchandise	3	\$ 4,888	89
"	25	" Schooner Josephine	5	2,222	22
April,	30	" Balance.....	12	307	62
				\$ 7,418	73

14 DR.

WILLIAM

1888.					
Feb.	26	To James Truman	5	\$ 1,000	00
March	27	" Company 1 Merchandise	8	260	00
				1,260	00
1888.					
May	12	To Cash	14	\$ 200	00

DR.

LOCKHART

1888.					
March	16	To Shipment to New Orleans	7	\$ 2,020	00

DR.

JOSEPH

1888.					
April	10	To Sundries	9	\$ 62	00
"	30	" Sundries	11	3,469	32
				3,531	32

EVANS.

CR. 14

1858.						
Feb.	20	By Merchandise	4	\$ 1,260	00	
				1,260	00	
1858.						
May	30	By Merchandise	13	\$ 420	00	

& ARROTT, New Orleans.

CR.

1858						
April	2	By Merchandise	8	\$ 2,020	00	

DE NONES, Cadiz.

CR.

1850						
March	14	By De Nones' Consignment	7	\$ 3,531	32	
				3,531	32	

15

DR.

IRVINE

1880.					
April	8	To Fisher's Consignment	9	\$ 1,440	00
"	11	" Sundries.....	9	1,350	00
"	14	" Oliver Otis & Co.....	9	310	00
"	16	" Sundries.....	10	1,445	00
				4,545	00

DR.

H. B. WALKER

1880.					
April	30	To Sundries.....	11	\$ 2,650	00

DR.

JOSEPH

1880.					
April	30	To Sundries.....	11	\$4,987	50

CR. 15

& COMP., Port au Prince.

RUIZ, Puerto Principe.

159 •

16

DR.

SHIPMENT TO

1858.					
Feb.	4	To Sundries	3	\$ 1,822	22
April	30	" Profit and Loss	12	197	78
				2,020	00

DR.

SHIPMENT TO

1858.					
Feb.	27	To Sundries	5	\$ 3,908	00
"	28	" Sundries	5	201	56
April	30	" Profit and Loss	12	1,890	44
				6,000	00

DR.

SHIPMENT TO

1858.					
April	13	To Sundries	9	\$ 3,500	00
1858.					
April	30	To Balance		\$ 3,500	00

NEW ORLEANS.

CR. 16

1858					
March	16	By Lockhart & Arrott	7	\$ 2,020	00
				2,020	00

PORT AU PRINCE.

CR.

1858.					
April	28	By Merchandise	10	\$ 6,000	00
				6,000	00

BOSTON.

CR.

1850.					
April	30	By Balance	12	\$ 3,500	00
1858.					
May	18	By J. Eaton & Co	13	\$ 4,600	00

CONSIGNMENT,

CR.

17

1858.						
March	3	By Cash	6	\$	456	00
"	4	" Sundries	6		475	00
"	9	" S. H. Lovell	6		150	00
"	10	" Cash	6		1,233	27
"	10	" Merchandise	6		2,000	00
					4,314	27

CONSIGNMENT.

CR.

1858						
April,	6	By Sundries	8	\$	2,160	00
"	8	" Irvine Fisher	9		1,440	00
"	13	" Shipment to Boston	9		720	00
"	15	" Thomas Blanchard	9		43	20
"	16	" Cash	9		316	80
					\$ 4,680	00

MERCHANDISE.

CR.

18

1888					
March	23	By Sundries.....	7	\$ 3,000	00
"	26	" Sundries.....	8	2,400	00
"	27	" Sundries.....	8	1,200	00
"	28	" Sundries.....	8	1,250	00
				7,850	00

MERCHANDISE.

CR.

1888.					
April	30	By Balance.....	12	\$ 3,333	33

FAIL & CO.

CR.

1888.					
May	13	By Merchandise	13	\$ 375	00

19

DR.

BALANCES OF

1858.					
April	30	To Cash.....	12	\$26,274	07
"	30	" Merchandise	12	15,000	00
"	30	" Bills Receivable.....	12	6,998	35
"	30	" Store Fixtures.....	12	270	00
"	30	" Schooner Josephine	12	5,000	00
"	30	" Charles Lawrence	12	167	31
"	30	" S. H. Lovell.....	12	395	00
"	30	" Walter Howard	12	307	62
"	30	" Shipment to Boston	12	3,500	00
"	30	" Company 2 Merchandise.....	12	3,333	33
				61,245	68

DR.

BARCLAY &

1858.					
May	29	To Merchandise.....	14	\$ 175	00

20

DR.

C. J.

1858.						
May	16	To Cash	14	\$	150	00

DR.

JOHN

1858.						
May	16	To Cash... ..	14	\$	100	00

DR.

JOSEPH

1858.						
May	18	To Shipment to Boston	13	\$	4,600	00
					4,600	00

ROAD STOCK

CR.

21

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CR.

1868.					
May	23	By Sundries.....	13	\$	293 04

SAN FRANCISCO, (Joint,)

CR.

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1871



NOTE.--In this book first appear all the sums of money which we receive and pay ; the entries are made immediately on receiving or paying the sums,

This book gives us an exact idea of the state of our Cash funds ; showing from what source we have received, how we have applied them, and what amount we ought to have on hand. From this book entries pass into the Day Book daily, weekly, or monthly ; if weekly or monthly, the forms of the entries are shown in the Day Book under date of May 30th. As this book involves a knowledge of journalizing, the following rules may aid the student in making entries in the Cash Book.

RULE 1. The first *word* or *name* that we enter on the Dr. side, when we receive any sum, should be the name of the creditor (person or object) that we owe, or ought to credit, for the sum we receive.

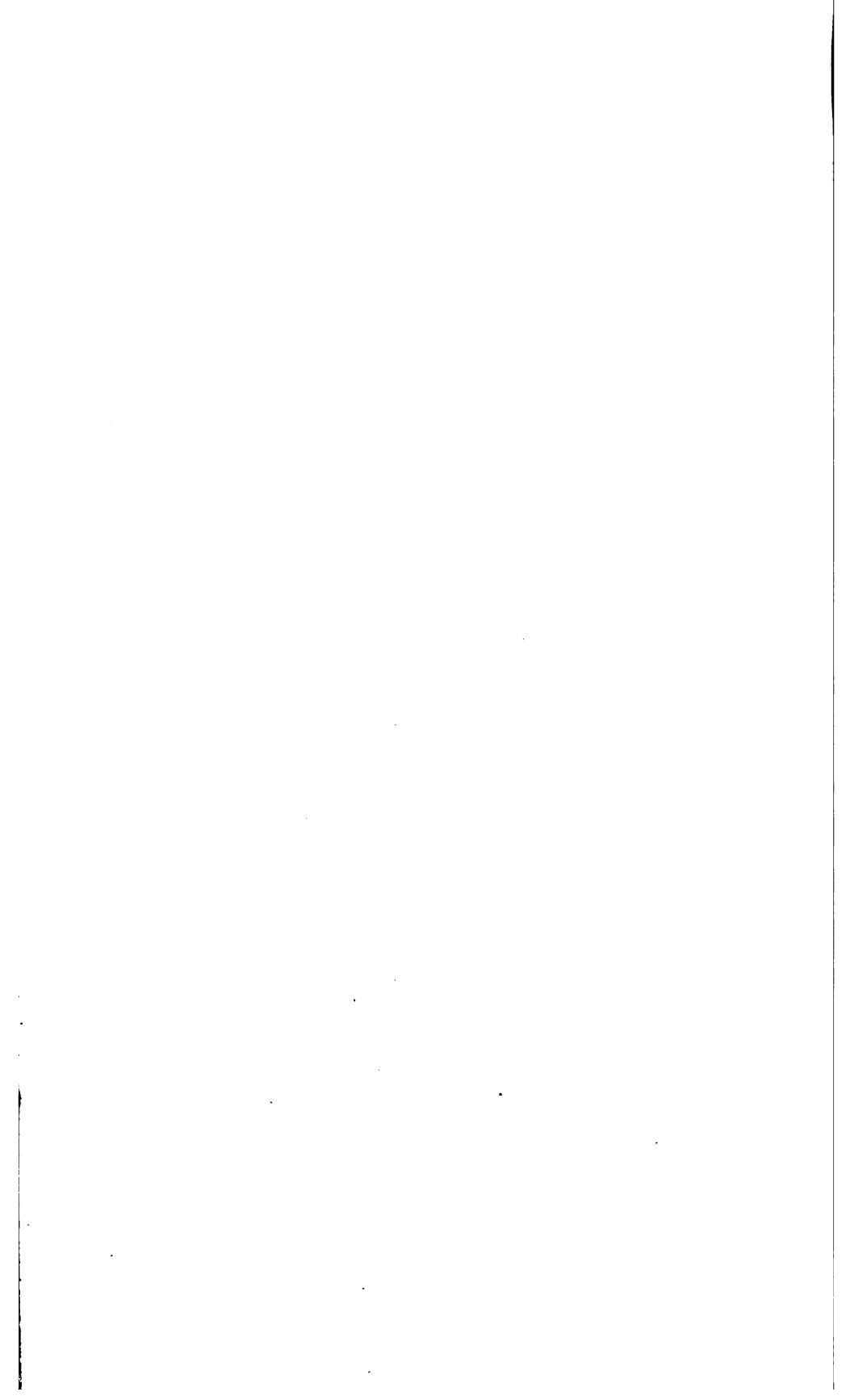
RULE 2. The first *name* or *word* that we enter on the Cr. side, when we pay any sum, should be the name of the debtor that owes us, or that we ought to debit, for the sum we pay.

1858.					
Jan.	7	By Store Fixtures,	paid W. Wharton's bill.	\$ 300	00
"	14	" Merchandise,	paid Rogers & Brothers for bill of this date.	800	00
"	16	" Merchandise,	paid C. Bernard balance of bill of \$3,200 of this date.	2,000	00
"	17	" James Truman,	paid him as a loan.	1,000	00
"	28	" Bills Receivable,	paid J. Truman as a loan on his Note, No. 6, at 12 months.	2,000	00
"	30	" Bills Payable,	paid our Note, No. 2, in favor of T. P. Cope & Son.	1,230	00
"	30		Balance on hand.	33,205	00
				40,535	00
1858					
Feb.	2	By Store Expenses,	paid sundry expenses, as per petty Cash-Book.	\$ 65	00
"	2	" Bills Payable,	paid balance of our Note, No. 1, for \$1,080, favor H. Austin.	525	32
"	4	" Shipment to New Orleans,	paid insurance and shipping expenses on Invoice consigned to Lockhart & Arrott, per Brig Franklin.	100	00
"	12	" Merchandise,	paid Haven & Smith balance of bill of \$1,240, of this date.	100	00
"	13	" Merchandise,	paid freight and charges on Invoice received from W. Howard, London, per "Washington".	422	00
"	20	" Walter Howard,	paid shipping expenses on Invoice per "Atlantic," to his order.	75	00
"	20	" Walter Howard,	paid Insurance on \$2,805, at 3%,—Invoice per "Atlantic".	85	15
"	24	" Discount,	paid on Note No. 11, discounted.	31	00
"	25	" Schr. Josephine,	paid Capt. C. Davies balance of bill of \$5,000,—her cost,	2,600	00
"	26	" Schr. Josephine,	paid Wm. Smith's bill for sundry articles for her.	155	00
"	28	" Shipment to Port au Prince,	paid expenses on Invoice consigned to H. B. Walker & Co., per "Josephine".	120	00
"	28	" Schr. Josephine,	paid Atlantic Insurance Comp. $\frac{1}{2}$ % premium on \$5,000, & policy.	26	00
				4,304	47
"	28		Balance on hand.	31,120	53
				35,425	00

[illegible]

1853.					
Mar.	2	By Store Expenses, paid sundry expenses, as per petty Cash Book.....	\$ 45	00	
"	3	" De Nones' Consignment, paid for Freight and Duties on Invoice received from J. De Nones, Cadiz, per Brig Clio	460	00	
"	7	" De Nones' Consignment, paid for damages in sales of 3d and 4th inst.....	45	00	
"	9	" Bills Payable, paid our acceptance, No. 8, in favor of Lewis Clapier.....	4,444	44	
"	20	" Comp. 1 Merchandise, paid Bunker & Starr for our $\frac{1}{2}$ bill in joint account with P. Harris.....	2,000	00	
"	20	" Paul Harris, paid Bunker & Starr for his $\frac{1}{2}$ bill of Flour in joint account with us.....	2,000	00	
"	25	" C. C. Marsh, paid him on account.....	300	00	
"	26	" Bills Receivable, paid Brown Brothers & Co. balance of their Bill of Exchange of £1,000=\$4,800.....	2,400	00	
		Balance on hand.....	28,787	33	
			40,481	77	
1858.					
Apr.	1	By Store Expenses, paid sundry expenses as per petty Cash Book.....	\$ 162	00	
"	1	" Store Expenses, paid Geo. Loder three months' rent of Store.....	300	00	
"	2	" Merchandise, paid Freight and charges on Invoice received from Lockhart & Arrott, N. Orleans.....	300	00	
"	8	" Irvine Fisher, paid him on account.....	1,440	00	
"	10	" Joseph De Nones, paid for damages in sales on his account.....	22	00	
"	11	" Irvine Fisher, paid him on account.....	1,322	33	
"	13	" Shipment to Boston, paid expenses on Invoice consigned to J. Eaton & Co. per Brig Pilot.....	120	00	
"	15	By Thos. Blanchard, paid him on account.....	500	00	
"	18	" Irvine Fisher, paid him balance of account...	245	00	
			Forward.....	4,411	33

1858.					
			Brought.....	\$ 4,411	33
Apr.	21	By Profit and Loss,	paid for 12 Opera tickets.....	120	00
"	21	" Exchange,	paid on \$475 uncurrent money.	8	31
"	24	" Interest,	paid on our Note No. 13, renewal of No. 9.....	8	40
"	28	" Merchandise,	paid expenses on Invoice received from H. B. Walker & Co.	75	00
"	30	" Store Expenses,	paid expenses this month, as per petty Cash Book.....	200	00
"	30	" H. B. Walker & Co.,	paid A. Belmont for Bill of Exchange, No. 18, for 14,062.72 francs remitted to them.....	2,643	37
"	30	" Joseph De Nones,	paid B. Blanco for Bill of Exchange, No. 19, on Francia & Co. for \$3,454.80, remitted to him.	3,402	98
"	30	" Joseph Ruiz,	paid M. Taylor for Bill of Exchange, No. 20, on Drake Bros. & Co., for \$5,050, remitted to him.....	4,974	88
"	30	" Exchange,	paid premium on 10,500 Spanish dollars, at $\frac{3}{4}$ %.....	78	75
			Balance on hand.....	26,274	07
				42,197	09
1858.					
May	1	By Store Expenses,	paid as per petty Cash Book ..	\$ 75	95
"	1	" Discount,	paid on uncurrent money sold..	12	75
"	2	" Merchandise,	paid B. Ball & Co.'s bill.....	500	00
"	2	" Merchandise,	paid A. Thomas & Son's bill..	110	50
"	5	" Paul Harris,	paid his sight Draft, favor J. Coe.	2,500	00
"	10	" Paul Harris,	paid him on account	500	00
"	12	" William Evans,	paid him on account	200	00
"	15	" Thos. Blanchard,	paid Mrs. Blanchard on his acct.	98	23
"	15	" C. C. Marsh,	paid J. Eustis' bill on his acct...	200	00
"	16	" C. J. Martin,	paid him on account	150	00
"	16	" John Sims,	paid him on account	100	00
"	23	" Shipment to San Francisco,	paid as per Day Book	✓ 10,625	00
"	27	" Bills Payable,	paid our Note No. 14, T. Owen & Son.....	300	00
"	29	" Bills Payable,	paid our Note No. 15, T. Owen & Son.....	200	00
"	30	" Thos. Blanchard,	p'd Evans & Co.'s bill on his acct.	100	00
"	30	" C. C. Marsh,	paid J. Rogers' bill on his acct..	100	00
			Balance on hand	13,952	80
				29,725	23



INVOICE BOOK.

B. & M.

1858.

NOTE.—In this book are copied all bills of goods bought, and all invoices of goods received into our possession. From this book the entries pass into the Day Book, either daily, weekly, or monthly. If weekly or monthly the wording or form of the Day Book entries is shown under date of May, in the Day Book.

1 NEW YORK, JANUARY 5, 1858.

Inventory of Merchandise advanced by C. C. Marsh, as Capital :—		
20 doz. Snyder's Shovels.....	at \$7.50	\$150 00
20 " Spades.....	7.50	150 00
50 boxes Derby Scythe Stones.....	3.25	162 50
40 doz. Grass Scythes	12.00	480 00
20 " Corn "	13.00	260 00
60 " Porter's Patent Balances.....	10.00	600 00
200 " common Curry Combs.....	.62½	125 00
25 gross Britannia Table Spoons.....	5.00	125 00
10 " " Tea Spoons.....	2.00	20 00
20 6 ft. Mill Saws.....	4.75	95 00
20 6½ ft. Cross Cut Saws.....	3.00	60 00
30 doz. Razor Strops.....	2.00	60 00
100 pr. Waffle Irons.....	.62½	62 50
50 doz. Patent Coffee Mills.....	5.00	250 00
2000 qr.-in. Steel Augers.....	.06	120 00
20 doz. Collins' Axes.....	20.00	400 00
1½ reams Hardware Paper.....		5 00
		\$ 3,125 00
New York, January 1, 1858.		
Signed		C. C. MARSH.
New York, January 14, 1858.		
Messrs. Blanchard & Marsh		
Bought of Henry Austin,		
1 crate common Curry Combs—		
100 doz.....	at \$.62½	\$62 50
1 crate patent Curry Combs, 100 doz.	.87½	87 50
20 doz. Goodyear's patent Pitch Forks.	5.50	110 00
10 " " Manure "	9.50	95 00
5 " Long Shovels.....	7.50	37 50
15 " Madeira Straw Knives.....	14.00	210 00
6 " real Steyre Scythes	10.00	60 00
6 " common German Scythes.....	5.00	30 00
40 " Jack Saws.....	2.75	110 00
20 boxes Iron Mills.....	6.00	120 00
1 cask, 50 pieces, Waffle Irons.....	7.50	37 50
1 " Cutlery		540 00
		125 00
		4,500 00
Note at 30 days.		

New York, January 15, 1858.

Messrs. Blanchard & Marsh

Bought of Rogers & Brothers,

10 boxes Cotton Cards, 4 doz. each...	at \$5.50	\$220 00
5 " Wool " 4 " ...	4.00	80 00
20 " best Ink.....	2.00	40 00
6 cwt. American Blister Steel	6.50	39 00
250 lbs. German Steel.....	.15	37 50
100 " " " .....	.14	14 00
3 Mousehole Anvils, wt. 600 lbs. ....	.12½	75 00
3 Birmingham " " 500 " ....	.07	35 00
20 gross Gilt Vest Buttons.....	.75	15 00
40 " Gilt Coat "	1.50	60 00
10 " Steel Coat "	4.50	45 00
10 " Steel Vest "	2.00	20 00
3 " Braces and Bitts.....	10.00	30 00
2 doz. Knives and Forks.....	11.25	22 50
6 " Rogers' Penknives	5.00	30 00
1 " Knob Locks.....	10.00	10 00
1 " 32-inch Grass Seythes	13.50	27 00

800 00

Received Payment,

ROGERS & BROTHERS,

Cash.

pr. JOHN SIMS.

16

Bought of Chrstr. Bernard,

400 tierces S. C. Rice.

118,518	lbs. gross.
11,851	" tare = 10 %.

106,667	" net at \$3 per C.
---------	---------------------

3,200 00

Received Payment,

C. BERNARD,

pr GEO. W. Hall.

3 NEW YORK, FEBRUARY 13, 1858.

Invoice of Merchandise shipped per steamer Washington, Capt. Floyd, consigned to Blanchard & Marsh, New York, pursuant to their order and for their account, viz:—		
5 Cases.		
B & M		
No. 1.	12 ps. 210 yds. Super Blue Cloth, at 20s,...	£210 00 00
No. 2	11 " 325 " Black Cloth..... 30s,...	487 10 00
No. 2.	9 " 275 " Brown and Drab Cassimeres..... 10s,...	137 10 00
No. 3.	75 " 2500 " Gingham..... 1s,...	125 00 00
No. 4.	24 " 244 " 6-4 Muslin..... 1s. 2d.	14 04 08
No. 5.	20 " 300 " 4-4 Muslin..... 1s,...	15 00 00
		989 04 08
Charges.		
	Packing Cases	£ 3 15 02
	Duty and entry	12 15 06
	Cartage and lighterage.....	19 12 06½
	Insurance and policy.....	22 04 06
	Commission.....	52 07 07½
		£1100 00 00
E.	E. E. London, December 31, 1857. (Signed) WALTER HOWARD. Equal to, at the rate of 4s. 6d. per \$1.....	\$ 4,888 89

SALES BOOK.



NOTE.—In this book first appears a full description of all goods sold or passed from our hands, or out of our possession. From this book the amounts go to the Day Book, either daily, weekly, or monthly : if weekly or monthly, the form of the entry in the Day Book is shown under date of May in that book.

At the time the purchaser selects his goods, we make an entry in this book, showing the quantity, quality, and price of the same ; and from this entry we make the bill which we give the purchaser.

1 NEW YORK, JANUARY 8, 1858.

E.		Sold to Paul Harris, at 60 days—			
		250 doz. common Curry Combs.....at \$.68	\$170 00		
		10 gro. Allison's Britiannia Tea Spoons	2.12½	21 25	
		30 doz. Duff Razor Strops.....	2.12½	63 75	
		1000 qr.-in. Can's Steel Augers.....	.07	70 00	\$ 325 00
<hr/>					
		10			
On Note No. 3		Sold to William Blakeley, at 30 days—			
		1000 qr.-in. Augers.....at \$.07	\$70 00		
		100 doz. Curry Combs.....	.87½	87 50	
		20 " Pitch Forks	5.50	110 00	
		10 " Manure Forks.....	9.50	95 00	
		5 " Long Shovels.....	7.50	37 50	
		20 " Wool Cards	4.00	80 00	
		10 gross Gilt Vest Buttons .....	.78	7 80	
				487 80	
		2½ per cent. advance.....	12 20		500 00
<hr/>					
		12			
Cash received.		Sold to S. H. Lovell—		Cash	
		3 Patent Balances.....at \$10.00	\$30 00		
		6 doz. Coffee Mills.....	5.00	30 00	
		2 doz. Collins' Axes.....	20.00	40 00	
		3 " Brittannia Table Spoons.....	5.00	15 00	
		5 " " Tea Spoons.....	2.00	10 00	125 00
<hr/>					
		16			
E.		Sold to C. Bernard—			
		12 doz. Collins' Axes.....at \$24.00	\$288 00		
		15 " Straw Knives.....	15.00	225 00	
		36 " Jack Saws.....	3.00	108 00	
		10 " Patent Balances.....	14.50	145 00	
		25 " Patent Coffee Mills.....	10.00	250 00	
		20 " Boxes Iron Mills.....	9.00	180 00	
		2 gross Steel Vest Buttons.....	2.	4 00	1,200 00

NEW YORK, FEBRUARY 4, 1858. 2

Invoice of Hardware shipped per Brig Franklin, Kay, con-
signed to Lockhart & Arrott, New Orleans, to be sold
on our account, viz. :—

15 Boxes—Nos. 1 to 15.

	20 doz. Shovels.....	at \$7.50	\$150 00
	20 " Spades.....	7.50	150 00
L & A	50 boxes Scythe Stones.....	3.25	162 50
N. O.	40 doz. Grass Scythes.....	12.00	480 00
	20 " Corn "	6.30	126 00
	30 Patent Balances.....	10.00	300 00
	20 Mill Saws.....	4.75	95 00
	20 Cross-Cut Saws.....	3.00	60 00
B & M	20 doz. Pitch Forks	5.50	110 00
	10 " Coffee Mills.....	5.50	50 00
	55 pr. Waffle Irons.....	.62½	34 47
	1 ream Hardware Paper.....		4 25

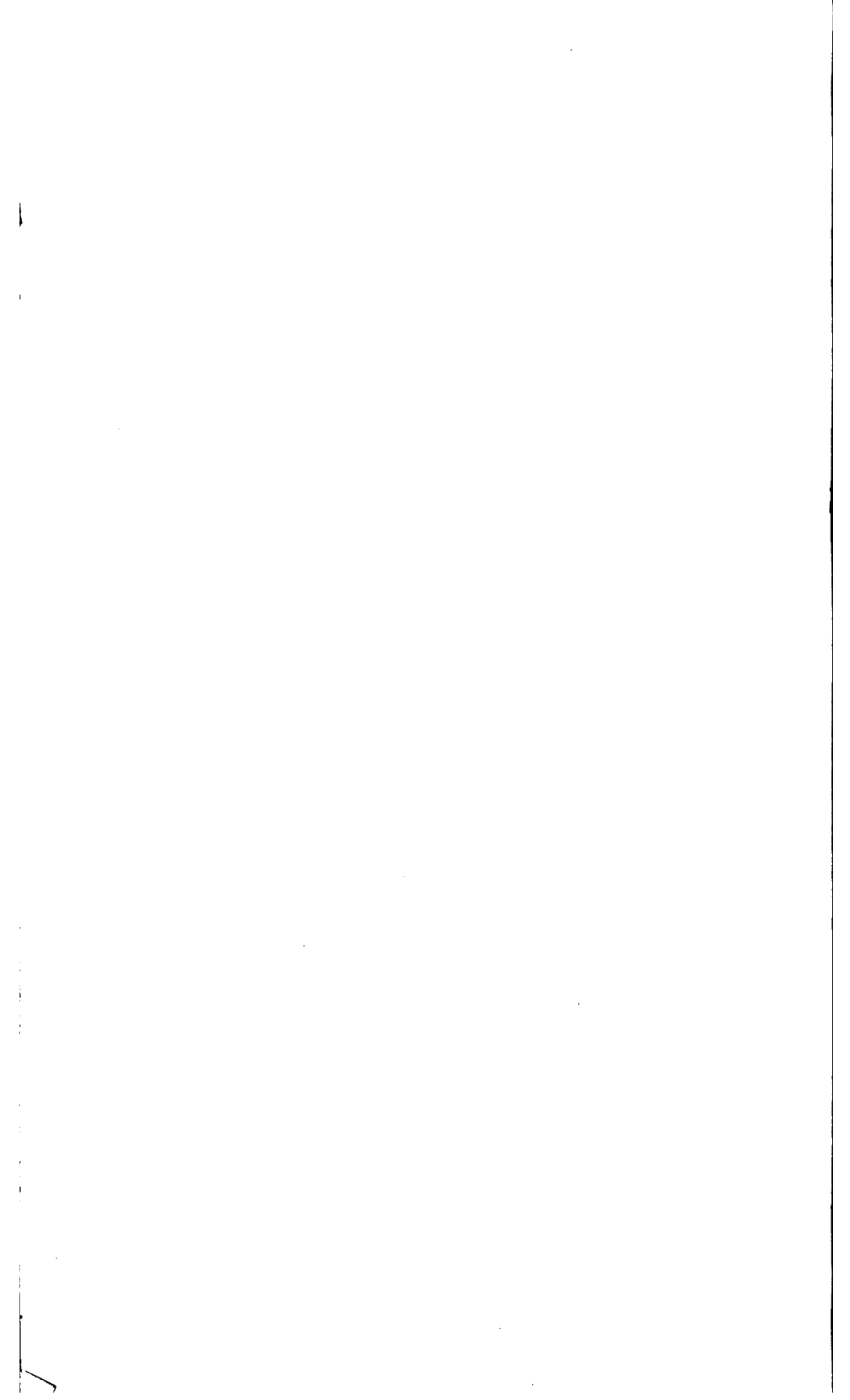
1 722 22

E. Charges.

Cartage and labor	\$20 33
Packing Boxes.....	25 63
Insurance on \$1,768, at 3 per cent., and policy	54 04 \$100 00

\$ 1,822 22

New York, February 4, 1858.



COMMISSION SALES BOOK.

B. & M.

1858.

NOTE.—This book contains a minute description of the merchandise sold for account of others. The entries in it are drawn from the Sales Book.

From this book we make the account sales that we may have to-render to those persons for whom we have sold goods.

1888.					
Mar.	3	To Cash,	paid Duty and permit.....	\$ 340	00
		"	paid Freight and primage	108	00
		"	paid Cartage and labor	12	00
		"	C. Lawrence, paid him for damages.....	10	00
		"	Cash, paid sundries for damages	45	00
"	14	"	Store Expenses, Storage, and Advertising..... ^{515 00}	52	24
"	14	"	Commission on \$4,314,27, at 5%	215	71
"	14	"	Joseph De Nones, for amount of net proceeds due May 25, 1858*	3,531	32
				4,314	27
<p>* The account-sales which we render to Mr. De Nones, made out from the above, and the calculation for averaging this account, to ascertain when the net proceeds are due, will be found among the the Forms and Calculations at the end of the book.</p>					

1858.							
Mar.	3	By Cash,	100 boxes Lemons..... @ \$3 00	\$	300	00	
			52 boxes Oranges.....		3 00	156	00
"	4	" C. Lawrence,	25 boxes Oranges, 60 ds.		3 00	75	00
			200 jars Olives		50	100	00
"	4	" Cash,	100 boxes Oranges		3 00	300	00
"	9	" S. H. Lovell,	25 boxes Lemons, 90 ds.		3 00	75	00
			25 boxes Oranges		3 00	75	00
"	10	" Cash, at Auction—					
			150 boxes Lemons	@ \$5,00	\$750 00		
			110 boxes Oranges		3,80 . 418 00		
			220 jars Olives.....		50 110 00		
					1,278 00		
		Auctioneer's Commission at $3\frac{1}{2}\%$			44 73	1,233	27
	10	By Merchandise, 4,000 jars Olives, 4 mos. .. @ .50				2,000	00
						4,314	27

1858.					
Mar.	20	To Cash,	paid for 800 barrels Flour, @ \$5 == \$4,000. Our one half	\$ 2,000	00
"	21	" Paul Harris,	received of him 500 bbls. Flour, @ \$4.75 = \$2,375. Our one half ..	1,187	50
"	30	" Storage,	on 1,300 bbls, @ 3 cts. per month	39	00
"	30	" Commission,	on \$7,850, @ 2½ %	196	25
"	30	" Paul Harris,	his half of net proceeds, due May 3, 1858*	3,807	37
"	30	" Profit and Loss,	our half net gain	619	88
				<u>7,850</u>	<u>00</u>
		<p>* The calculation for averaging this account, to ascertain when the net proceeds are due, will be found among the Calculations, at the end of the book.</p>			

1858.					
April	3		Invoice of 300 Bags == 46,819 lbs.	\$3,375	00
		Charges—			
"	3	Labor \$6.00	Advertising \$6.00	\$ 12	00
"	16	Storage on	300 bags 1 mo. @ 2 cts.	6	00
"	16	Commission on	\$4,680, @ 2½ %	117	00
"	16	Balance,	Net proceeds due April 20, 1858..	4,545	00
				<u>4,680</u>	<u>00</u>

2

CR.

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MERCANTILE FORMS.

FORM OF BILL OF EXCHANGE.

(From transaction of Feb. 16.)

Exch. for \$4,444.44.

LONDON, February 1st, 1858.

Twenty days after sight of this First of Exchange (Second and Third unpaid), Pay to the Order of Louis Clapper, Esq., Four thousand, Four hundred, and Forty-four $\frac{44}{100}$ Dollars, value received, and charge the account, per advice, of

Your obedient servant,

To Messrs. BLANCHARD & MARSH,
Merchants, New York, U. S.

WALTER HOWARD.

FORM OF DRAFT.

(From transaction of Feb. 13.)

\$251. $\frac{37}{100}$

NEW YORK, February 13th, 1858.

Thirty days after date pay to the order of Messrs. Blanchard & Marsh, Two hundred and Fifty-one $\frac{37}{100}$ Dollars, value received, and charge the same to account of

Your obedient servant,

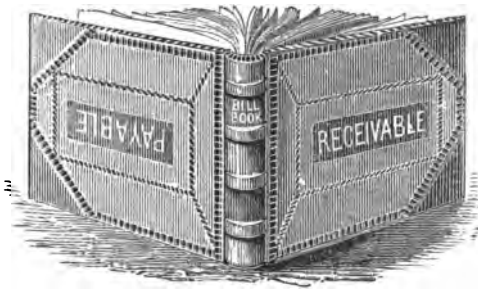
To S. H. LOVELL,
Merchant, New York.

WILLIAM BLAKELEY.

BILL BOOK.

B. & M.

1858.



NOTE.—In this book all notes, drafts, acceptances, and bills of exchange in our favor or against us, are first entered. This book supplies us with the dates, the names, the time or credit, the time when due, and amounts of all paper claims against us or in our favor, without referring to the documents themselves

No.	DRAWN AT	DATES.	DRAWN BY	ON WHOM
1	N. York.	Jan. 4, 1858.	Christopher Bernard .	.....
2	Boston.	Dec. 31, 1857.	T. Perkins & Co. ...	Oliver Otis & Co.....
3	N. York.	Jan. 10, 1858.	William Blakeley....	.....
4	do.	" 19, "	Oliver Otis & Co. ...	.....
5	do.	" 8, "	Paul Harris .....	.....
6	do.	" 28, "	James Truman.....	.....
7	do.	Feb. 4, "	Christopher Bernard .	.....
8	do.	" 13, "	William Blakeley....	S. H. Lovell.....
9	do.	" 21, "	Christopher Bernard .	.....
10	do.	" 23, "	James Truman .....	.....
11	do.	" 24, "	Strang, Adriance & Co	.....
12	do.	Mar. 5, "	Oliver Otis & Co....	.....
13	do.	" 26, "	Brown, Brothers & Co.	Brown, Shipley & Co..
14	do.	" 27, "	Oliver Otis & Co....	.....
15	do.	April 7, "	Christopher Bernard .	.....
16	do.	" 11, "	S. H. Lovell.....	.....
17	do.	Jan. 17, "	Irvine Fisher.....	.....
18	do.	Apr. 30, "	A. Belmont .....	.....
19	do.	" 30, "	B. Blanco	Francia & Co.....
20	do.	" 30, "	Moses Taylor	Drake Brothers & Co..
21	Boston.	May 16, "	J. Eaton & Co.....	Eagle & Hazard.....
22	N. York.	" 15, "	A. G. Beck .....	.....
23	do.	" 20, "	W. F. Mott, Jr....	.....
24	do	" 27, "	A. Aranguran .....	.....

RECEIVABLE.

1

WHOSE FAVOR.	TIME.	DUE.	AMOUNT.		REMARKS.
Thomas Blanchard ...	90 days.	April 7, 1858.	\$2,000	00	Renewed by No. 15.
C. C. Marsh	60 days.	Mar. 4, "	2,670	00	Paid Mar. 4, 1858.
Blanchard & Marsh ..	30 days.	Feb. 12, "	500	00	Charg'd to W. Blakeley Feb. 12, 1858.
do.	30 days.	Feb. 21, "	1,000	00	Passed to Haven & Smith, Feb. 12, '68.
do.	60 days.	Mar. 12, "	325	00	Paid Mar 12, 1858.
Paul Harris.	12 mos.	Jan. 31, 1859.	2,121	00	
Blanchard & Marsh ..	6 mos.	Aug. 7, 1858.	320	00	
do.	30 days.	Mar. 18, "	251	37	Paid Mar. 16, 1858.
do.	60 days.	Apr. 25, "	800	00	Pass'd Wilmerding & Mount, April 20, '68.
do.	60 days.	Apr. 27, "	500	00	Pass'd Wilmerding & Mount, April 20, '68.
do.	90 days.	May 28, "	2,000	00	Discounted Feb. 24, 1858.
do.	60 days.	May 7, "	707	35	Paid May 7, 1858.
do.	20 ds. s't	£ 1000	4,444	44	Sold April 24, 1858.
do.	60 days.	May 29, 1858.	500	00	Paid May 29, 1858.
do.	60 ds. s't	June 9, "	2,000	00	
do.	4 mos.	Aug. 14, "	1,350	00	
T. Owen & Son.	3 mos.	Apr. 20, "	1,200	00	Pass'd April 20, '58.
H. B. Walker & Co. .	60 ds. s't	fr. 14,062.73	2,643	37	Remitted to H. B. Walker & Co. Ap. 30.
Blanchard & Marsh ..	15 ds. s't		\$3,454	80	Remitted to J. De Nones, Apl. 30, '58.
Joseph Ruiz	30 ds. s't		5,050	63	Remitted to J. Ruiz, April 30, 1858.
Blanchard & Marsh ..	60 days.	July 18, 1858.	554	90	
do.	4 mos.	Aug. 18, "	352	00	
do.	3 mos.	Aug. 23, "	415	00	
do.	6 mos.	Nov. 30, "	611	00	

No.	DRAWN AT	DATES.	DRAWN BY	ON WHOM
1	Boston.	Dec. 27, 1857.	J. Eaton & Co.	Thomas Blanchard ...
2	N. York.	Oct. 29, "	C. C. Marsh. ....	.....
3	do.	Jan. 16, 1858.	Blanchard & Marsh. .	.....
4	do.	" 14, "	do.	.....
5	do.	Feb. 13, "	do.	.....
6	do.	" 13, "	do.	.....
7	do.	" 13, "	do.	.....
8	London.	" 16, "	Walter Howard.	Blanchard & Marsh. .
9	N. York.	" 21, "	Blanchard & Marsh .	.....
10	do.	" 27, "	do.	.....
11	do.	" 28, "	do.	.....
12	do.	Apr. 20, "	do.	.....
13	do.	" 24, "	do.	.....
14	N. York.	May 4, 1858.	Blanchard & Marsh. .	.....
15	do.	" 6, "	do.	.....
16	do.	" 15, "	do.	.....
17	do.	" 20, "	do.	.....
18	do.	" 25, "	do.	.....
19	do.	" 26, "	do.	.....
20	do.	" 28, "	do.	.....

PAYABLE.

1

WHOSE FAVOR.	TIME.	DUE.	AMOUNT.		REMARKS.
Henry Austin	60 days.	Feb. 28, 1858.	\$1,080	00	Paid Feb. 2, 1858.
T. P. Cope & Son....	90 days.	Jan. 30, "	1,230	00	Paid Jan. 30, 1858
Rogers & Brothers...	90 days.	Apr. 19, "	2,100	00	Paid Mar. 23, 1858.
Henry Austin	30 days.	Feb. 16, "	1,500	00	Paid Feb. 17, 1858
United States	12 mos.	Feb. 16, 1859.	407	40	
do.	12 mos.	Dec. 16, "	407	41	
do.	12 mos.	Feb. 16, "	407	41	
Lewis Clapier	20 ds. s't	Mar. 11, 1858.	4,444	44	Paid Mar. 9, 1858
Christopher Bernard..	60 days.	Apr. 25, "	800	00	Renewed by No. 13
J. R. Dallett & Co. ..	60 days.	May 1, "	2,190	00	Paid April 24, 1858
Phoenix Insurance Co..	90 days.	June 1, "	81	56	
Wilmerding & Mount.	4 mos.	Aug. 23, "	2,033	33	
Christopher Bernard..	60 days.	June 26, "	800	00	
T. Owen & Son	20 days.	May 27, 1858.	300	00	Paid May 27, 1858
do.	20 days.	" 29, "	200	00	Paid May 29, 1859
Paul Harris	3 mos.	Aug. 18, "	2,019	01	
Atlantic Mutual Ins. Co.	7 mos.	Dec. 23, "	401	25	
Trujillo & Barreiras ..	4 mos.	Sept. 28, "	320	00	
Harmony's Nephews..	6 mos.	Nov. 29, "	630	00	
Spofford, Tileston & Co.	3 mos.	Aug. 31, "	270	00	

MERCANTILE FORMS

Copies of the Notes advanced by the Partners as Capital.—From transaction of January 5.

\$ 2,000. ⁰/₁₀₀.

NEW YORK, January 4, 1858.

Ninety days after date, I promise to pay to the Order of Thomas Blanchard,
Two thousand Dollars for value received.

CHRISTR. BERNARD.

Due April 7, 1858.

Endorsed to the firm by Thomas Blanchard.

\$ 2,670. ⁰/₁₀₀.

BOSTON, December 31, 1857.

Sixty days after date, pay to the ~~Order~~ of C. C. Marsh, Two thousand Six
hundred and Seventy Dollars, value received, and charge to the account of

Your obedient servants,

To Messrs. Oliver Otis & Co.,
Merchants, New York.

T. PERKINS & Co.

Endorsed to the firm by C. C. Marsh.

MERCANTILE

FORMS AND CALCULATIONS,

VIZ. :

RECEIPTS.
ORDERS.
PROMISSORY NOTES.
ENDORSED NOTES.
DRAFTS.
BILLS OF EXCHANGE.
ACCOUNTS SALES.
ACCOUNTS CURRENT,
LETTERS.

DISCOUNT AND INTEREST.
COMMISSION.
INSURANCE.
EXCHANGES—
 FRENCH,
 ENGLISH, &c.
EQUATION OF PAYMENTS
AVERAGING BALANCES.
PROFITS AND LOSSES.

MERCANTILE FORMS.

RECEIPT FOR PAYMENT OF A BILL.

(From transaction of Jan. 7.)

NEW YORK, January 7, 1850.

Received of Messrs. Blanchard & Marsh, Three hundred Dollars, in full for bill of store fixtures, of this date.

GEO. W. WHARTON.

RECEIPT FOR A NOTE.

(From transaction of Jan. 22.)

\$1,500. $\frac{0}{100}$

NEW YORK, January 22, 1850

Received of Messrs. Blanchard & Marsh, their note at thirty days, dated 14th inst., for One thousand five hundred Dollars.

HENRY AUSTIN.

PROMISSORY NOTE—ON DEMAND.

(From transaction of Jan. 5.)

\$140. $\frac{0}{100}$

NEW YORK, January 4, 1850.

On demand, I promise to pay to the order of C. C. Marsh, One hundred and Forty Dollars ; value received.

CHARLES LAWRENCE.

PROMISSORY NOTE.

(From transaction of Jan. 10.)

\$500. $\frac{0}{100}$

NEW YORK, January 10, 1858.

Thirty days after date, I promise to pay to the order of Blanchard & Marsh, Five hundred Dollars : value received.

Due Feb. 12, 1858.

WILLIAM BLAKELEY.

ENDORSED NOTE—WITH INTEREST.

(From transaction of Jan. 28.)

\$2,121. $\frac{0}{100}$

NEW YORK, January 28, 1858.

Twelve months after date, I promise to pay to the order of Paul Harris, Two thousand One hundred and Twenty-one Dollars & value received.

Due Jan. 31, 1859.

JAMES TRUMAN.

NOTE,—As P. Harris is the endorser in this note, his name should be on the back of it. He may endorse specially or simply—specially, by writing "Pay to the order of Blanchard & Marsh ;" simply, by merely writing his name.

PROMISSORY NOTE.

(From transaction of January 23.)

\$1,500. $\frac{0}{100}$

NEW YORK, January 14, 1858.

Thirty days after date, we promise to pay to the order of Henry Austin, One thousand and Five hundred Dollars: value received.

Due Feb. 16, 1858.

BLANCHARD & MARSH.

[No. 1.]

BILL OF EXCHANGE.

(From transaction of Feb. 25.)

Exch. for £500 stg.

NEW YORK, February 25, 1858.

Sixty days after sight of this our first of exchange (second, third and fourth, of same tenor and date, unpaid), pay to the order of Capt. Caleb Davis Five hundred Pounds sterling, value received, and charge the same to account of

Your Obedient Servt's.,

To WALTER HOWARD,
London.

BLANCHARD & MARSH.

NOTE.—The above is one of the set. A bill of exchange consists of three or four drafts, in order to expedite the forwarding and collecting; one being paid, the others become null.

DRAFT.

(From transaction of Jan. 5.)

\$1,080. $\frac{0}{100}$

BOSTON, December 25, 1857.

Sixty days after sight, pay to the order of Henry Austin, One thousand and eighty Dollars, value received, and charge the same to our account.

To THOMAS BLANCHARD,
New York.

JOSEPH EATON & Co.

DRAFT AT SIGHT.

(From transaction of Apl. 14.)

\$310. $\frac{0}{100}$

NEW YORK, April 14, 1858.

At sight, without grace, pay to the order of Blanchard & Marsh, Three hundred Dollars value received, and charge the same to our account.

To IRVINE FISHER, Esq.,
New York.

OLIVER OTIS & Co.

AN ORDER.

(From transaction of March 2.)

\$288. $\frac{0}{100}$

NEW YORK, March 2, 1858.

Messrs. Blanchard & Marsh will please deliver to the order of W. Blakeley such goods as he may choose, to the amount of Two hundred and Eighty-eight Dollars, and charge the same to

CHARLES LAWRENCE.

ACCOUNT SALES of 1,300 barrels Flour, _____

Sold in joint account with PAUL HARRIS, _____

by BLANCHARD & MARSH. _____

1858.						
Mar.	23	500 barrels Flour,..... @ \$6.00	cash	\$ 3,000	00	
"	26	400 " "	6.00 60 days	2,400	00	
"	27	200 " "	6.00 60 days \$500 00			
			Cash ... 700 00	1,200	00	
"	28	200 " "	3 months	1,250	00	
				7,850.	00	
		Charges. _____				
		Storage on 1,300 bbls. 1 mo., @ 3 cts.....\$ 39 00				
		Commission on \$7,850, @ 2½ %		196	25	
		Net proceeds, due May 3, '58.*		7,614	75	
		Of which your half is (due May 3, 1858.)		3,807	37	
		E. E. † New York, March 30, 1858. BLANCHARD & MARSH, Per JOHN SIMS.				
		<p>NOTE.—* The calculation required to average this Account sales, to ascertain at what date the net proceeds will fall due, will be found among the "Calculations," at the end of the book—example 4.</p> <p>† Errors excepted.</p>				

MERCANTILE FORMS.

D R.

CHARLES LAWRENCE IN ACCOUNT

[illegible]

D R.

CHARLES LAWRENCE IN ACCOUNT

DATES.			DAYS.	INTEREST.		AMOUNTS.	
1858.							
Jan.	5	To Balance due C. C. Marsh.....	115	\$ 2	68	\$ 140	00
Mar.	2	To Merchandise, per your order at sight, in favor of W. Blakeley ..	59	2	83	288	00
"	4	To Merchandise, per bill rendered..	57	1	66	175	00
Apl.	30	To Balance of Interest, at 6 %....				2	31
				\$ 7	17	\$ 605	31
1858.							
Apl.	30	To Balance				\$ 167	31
<p>NOTE.—The purchases and sales of merchandise in the above account current are supposed to be without credit or time; consequently we count the days from the dates of the purchases and sales up to the day on which we make the account (April</p>							

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1858.				
Feb.	12	By our draft at sight, in favor of Haven & Smith...	\$	140 00
"	27	By Merchandise, per bill rendered		288 00
Mar.	7	By allowance on bill of 4th inst.		10 00
April	30	By Balance		165 00
			\$	603 00
		E. E.		
		New York, Apl. 30, 1858.		

DATES.		DAYS.	INTEREST.		AMOUNTS.	
1858.						
Feb.	12	By our draft at sight, in favor of Haven & Smith.....	77	\$ 1 80	\$ 140	00
"	27	By Merchandise, per bill	62	2 97	288	00
Mar.	7	By allowance on bill of 4th inst ...	54	09	10	00
April	30	By Balance of Interest		2 31		
April	30	By Balance due this date			167	31
				\$ 7 17	\$ 605	31
		E. E. NEW YORK, Apl. 30, 1858.				
		30). Great care must be taken not to calculate interest where it is not owed. If a sum is not due on the date of the en- try, the explanation should show when it is due.				

MERCANTILE FORMS.

DR.

THOMAS BLANCHARD IN ACCOUNT

DATES.			DAYS.	INTEREST.		AMOUNTS.	
1858.							
Jan.	5	To your Acceptance in favor of H. Austin, due Feb. 28, 1858....	61	10	98	\$ 1,080	00
April	15	To Cash	15	1	25	500	00
"	15	To Mdse. per bill rendered	15		10	43	20
"	30	To Balance of Interest		493	66		
"	30	To Balance				26,870	46
				505	99	\$28,493	66
		E. E.					
		New York, Apl. 30, 1858.					

MERCANTILE FORMS.

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CURRENT WITH BLANCHARD & MARSH.

CR.

DATES.			DAYS.	INTEREST.		AMOUNTS.	
1858.							
Jan.	5	By Cash,.....	115	498	33	\$26,000	00
"	5	By C. Bernard's Note, due April 7, 1858.	23	7	66	2,000	00
April	30	By Balance of Interest at 6%....				493	66
				505	99	\$28,493	66
1858.							
April	30	By Balance.....				\$26,870	46

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CR.

DATES.			DAYS.	INTEREST.		AMOUNTS.	
1858.							
Jan.	5	By Cash	115	230	00	\$12,000	00
"	5	By Oliver Otis & Co.'s acceptance, due March 4, 1858.	57	25	37	2,670	00
"	5	By Merchandise	115	59	89	3,125	00
"	5	By Charles Lawrence's balance of account	115	2	68	140	00
April	30	By Balance of Interest at 6 %....				297	69
				317	94	18,232	69
1858.							
April	30	By Balance.....				16,702	69
<p>There are three ways of making out these accounts, which are used according to circumstances :—</p> <p>1st. A simple statement of the account "without interest."</p> <p>2d. A statement of the account, with interest calculated on each sum.</p> <p>3d. A statement of the account, showing by "average" when the balance was or will be due.</p> <p>The above account belongs to the second class. It is made out for one of the partners, in order to ascertain the amount of interest on his capital, under the supposition that the partners were to be allowed interest on their respective capital.</p> <p>The balance of interest in this account (\$ 297.69) is carried to the Day Book (April 30), journalized, and posted to the accounts in the Leger. The account of the other partner shows a balance of interest of \$ 493.66.</p>							

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C R.

DATES.		DAYS.	INTEREST.		AMOUNTS.	
1858.						
Jan.	21	By your Note, at 60 days from 8th, due March 12, 1858.	49	\$ 2 65	\$ 325	00
Mar.	18	By Cash	43	14 33	2,000	00
"	21	By our $\frac{1}{2}$ bill of Flour in joint account with you	40	7 91	1,187	50
"	30	By your $\frac{1}{2}$ net proceeds of sales in joint account, due May 3, '58..	3	1 90	3,807	37
April	30	By Balance of Interest, @ 6 % ...			6	67
				24 89	\$ 7,326	54
1858.						
April	30	By Balance.....			\$ 5,001	54

NOTE.—The above account shows a sum on the credit (\$3,807.37) which is not due until May 3d, being 3 days after the date on which we make the account—April 30; the interest on which, therefore, must belong to the debtor side. When such is the case we must calculate the interest from now until the time the sum is due, and write the days and interest in "red ink;" and before adding the interest columns, we must make an entry, of the red ink interest on the debtor side.

CURRENT WITH BLANCHARD & MARSH.

CR.

1858.					
Jan.	21	By your Note, due March 12, 1858	\$ 325	00	
Mar.	18	By Cash	2,000	00	
"	21	By our $\frac{1}{2}$ bill of Flour in joint account with you....	1,187	50	
"	30	By your $\frac{1}{2}$ net proceeds of sales in joint account due May 3, 1858.....	3,807	37	
			<u>\$ 7,319</u>	<u>87</u>	
1858.					
April	30	By Balance due April 22, 1858	\$ 4,994	87	
"	30	By Interest from April 22 to date—8 days.....	6	67	
			<u>5,001</u>	<u>54</u>	
<p>NOTE.—The above account, and the preceding, are accounts current made out for the same person, with a view to exemplify two of the common methods of drawing off an account current, viz.: one with interest calculated on each sum, and the other by averaging to find "when" its balance is due. The one averaged shows a balance due April 22; now calculate and allow interest on this balance from April 22 to the 30th (the date to which the other account is made up), and the balances of the two accounts will agree—both showing a sum due Mr. Harris, at 30th April, of \$5,001.54.</p> <p>The calculation of averaging this account will be found under the head of "Equation of Payments"—example 8.</p>					

LETTERS.

·NOTE.—It is necessary to preserve copies of all our business letters ; for this purpose a letter book is kept.

Subjects of the following letters :—

No. 1.—Circular on commencing business

“ 2.—On ordering Goods.

“ 3.—On consigning Goods.

“ 4.—On rendering Account Sales.

“ 5.—On drawing a Draft.

[C I R C U L A R .]

No. 1

NEW YORK, January 5, 1858.

SIR :—

We, the subscribers, respectfully announce to you that we have formed a copartnership under the firm of **BLANCHARD & MARSH**, for the prosecution of a general commission and wholesale business ; and we take the liberty of assuring you that all business intrusted to our care, shall receive from us, personally, prompt and faithful attention. Having friends and correspondents at numerous commercial points, we possess facilities not often enjoyed by new establishments. We are prepared to make liberal advances on consignments.

Very respectfully,

Your obedient servants,

BLANCHARD & MARSH.

Thomas Blanchard will sign—

Chrstr. C. Marsh will sign—

R E F E R E N C E S :—

Messrs. Moses Taylor & Co.....New York.
 “ Thomas Owen & Son..... “ “
 “ Watson & Meares..... “ “
 “ Noriega, Olma y C^a.....Havana.
 “ Brown, Shipley, & Co....Liverpool.
 “ Hargous Brothers.Vera Cruz.

No. 2.

New York, January 5, 1858.

Mr. WALTER HOWARD,

London.

DEAR SIR: Please accept our order for forwarding to us per first vessel, the annexed list of dry goods of various patterns and of good quality ; for the amount of which you may draw at thirty or sixty days' sight.

We contemplate consigning to you, about the first of February, an invoice of Rice and Pearl Ashes, relative to which we solicit advice.

Having commenced a general commission business, (per our circular) we beg leave to solicit your favors, and pledge our honors as merchants, for the strict observance of your commands, and faithful performance of our duty.

Very respectfully,

Your obedient servants,

BLANCHARD & MARSH.

No. 5.

NEW YORK, February 4, 1858.

Messrs. LOCKHART & ARROTT,

New Orleans.

GENTN. : Enclosed we remit to you Bill of Lading and invoice of Hardware, amounting to \$1,822.22, which we consign to you per Brig Franklin, to be sold for our account. You will do us the favor to use all possible despatch in making sales and rendering account.

We wish you to make returns for the above in sea-islands Cotton ; you will therefore, without further advice, invest the net proceeds as soon as realized in that article, selected with your accustomed intelligence, and at the lowest market price.

Keep us well informed of the state of your market ; we expect much business in that direction, and from the high esteem in which we hold your house, shall place as much as possible under your care, expecting no less from you.

Very respectfully,

Your obedient servants,

BLANCHARD & MARSH.

No. 4

NEW YORK, March 14, 1858.

MR. JOSEPH DE NONES,
Cadiz.

DEAR SIR : Enclosed you will find account sales of your consignment of Fruit, per Brig Clio : Net proceeds due May 25, 1858, \$3,531.32. When your Fruit arrived, prices were very low, as appears by the first sales ; but a sudden demand arose, and we think we studied your interest by disposing of the remainder at auction.

We await your further orders, grateful for those received, and remain
Very respectfully,

Your obedient servants,
BLANCHARD & MARSH.

No. 5.

NEW YORK, February 25, 1858.

MR. WALTER HOWARD,
London.

DEAR SIR : We have, under this date, drawn a bill on you, at sixty days' sight, in favor of Capt. Caleb Davis, for five hundred pounds sterling (£500 stg.), which you will please accept, and oblige

Your obedient servants,
BLANCHARD & MARSH.

No. 6.

NEW YORK, April 30, 1858.

MR. CHARLES LAWRENCE,
Philadelphia.

DEAR SIR : Annexed we present your account current, with interest calculated to this date, showing a balance in our favor of \$167.07 ; for which amount, if you find correct, please remit us a sight draft.

Very respectfully,
Your obedient servants,
BLANCHARD & MARSH.

DISCOUNT AND INTEREST.

INTEREST is a certain sum charged for the use of money ; it is always calculated by the 100. Six per cent. (6%) signifies \$6 for the use of \$100 for one year (or one month, if so agreed). Seven per cent. (7%) means \$7 for the use of \$100 during one year, or 7 cents for the use of 100 cents for a year. Therefore, by multiplying any sum by the rate per cent., and dividing the products by 100, we obtain the interest on that sum for one year. And, having the interest for one year, we may take of it—

$\frac{1}{2}$	for.....	6 months.
$\frac{1}{3}$	for.....	4 months.
$\frac{1}{4}$	for.....	3 months.
$\frac{1}{6}$	for.....	2 months.
$\frac{1}{12}$	for.....	1 month.

EXAMPLE 1.

What is the interest on \$2,000 for one year and three days (the grace), at 6% per annum ?

(From transaction of Jan. 28.)

NOTE.—To find the interest on any number of dollars for a year is the same simple calculation as to find the amount of any number of things at 6 or 7 cents each ; 2,000 books at 6 cents each, would amount to \$120 ; so the interest on \$2,000 for one year at 6 cents each, would amount to \$120.

RULE (for years). Multiply the sum by the rate per cent. (here it is 6), and divide by 100 ; the quotient will be the interest in dollars, if the original sum be dollars, but if the original sum be dollars and cents, the quotient will be the interest in cents.

$$\begin{array}{r} \$2,000 \\ 6 \\ \hline \$120.00 \end{array} \text{ Interest for one year, one hundred and twenty dollars.}$$

RULE (for days). Multiply the sum by the number of days, and divide the product by 6 ; the quotient will be the interest in *mills*, or in hundredths of mills if the sum be dollars and cents.

$$\begin{array}{r} \$2,000 \\ 3 \\ \hline \text{Divisor } 6 \overline{) 6,000} \\ \$1,00,0 \end{array} \text{ Interest for 3 days, 1 dollar.}$$

Cut off one figure for mills, and two for cents ; the rest will be dollars. The interest, then, on \$2,000 for 3 days is \$1,00, and for one year and 3 days \$121.00.

EXAMPLE 2.

What is the interest on \$1,080 for 26 days, at 6 per cent. per annum?

(From transaction of Feb. 2.)

$$\begin{array}{r}
 \$1,080 \\
 26 \\
 \hline
 6480 \\
 2160 \\
 \hline
 \text{Divisor } 6) \quad 28080 \\
 \hline
 4,68,0 \text{ Interest for 26 days, } \$4.68.
 \end{array}$$

EXAMPLE 3.

What is the interest on \$250 for 33 days, at 6 per cent. per annum?

(From transaction of Feb. 18.)

$$\begin{array}{r}
 \$250 \\
 33 \\
 \hline
 750 \\
 750 \\
 \hline
 \text{Divisor } 6) \quad 8250 \\
 \hline
 1,37,5 \text{ Interest for 33 days, } \$1.37\frac{1}{2}.
 \end{array}$$

EXAMPLE 4.

What is the interest on \$3,469.32 for 25 days, at 6 per cent. per annum?

(From 4th transaction of April 1890.)

$$\begin{array}{r}
 \$3,469.32 \\
 25 \\
 \hline
 1734660 \\
 693864 \\
 \hline
 \text{Divisor } 6) \quad 8673300 \\
 \hline
 14,45,5,50 \text{ Interest in hundredths of mills—} \\
 \text{equal to } \$14.45.
 \end{array}$$

Although the rate of interest may vary from 6 per cent., this method can still be used. First find the interest at 6 per cent., as in the preceding examples, and then—

Add.... $\frac{1}{2}$	of itself.....	for	7 per cent.
Add.... $\frac{1}{3}$	"	"	8 per cent.
Add.... $\frac{1}{4}$	"	"	9 per cent.
Add.... $\frac{1}{5}$	"	"	10 per cent.
Subtract $\frac{1}{6}$	"	"	5 per cent.
Subtract $\frac{1}{7}$	"	"	4 per cent.
Thus—	Divide by 6)	\$14.45	Interest at 6 per cent.—(Example 4.)
		2.41	" at 1 per cent.
		16.86	" at 7 per cent.

NOTE.—This method of multiplying by the days and dividing by 6, although generally used, is not exactly correct; it gives $\frac{1}{3}$ part more than the exact interest, because the rule supposes a year to be 360 days.

The error is corrected by deducting $\frac{1}{3}$ (about $1\frac{1}{3}$ cents on each dollar of interest) of the interest so found, from itself. Thus, in Example 2—

The interest is	\$4.68
Which divide by 73	6
	<u>4.62</u> exact interest.

NOTE 2.—The divisor “6000,” or “6,” is used in calculating interest for days at 6 per cent., on account of the facility it gives in dividing by so simple a number; but it does not follow that 7 is the divisor for interest at 7 per cent., nor 5 for 5 per cent.

The divisor 6000 is found thus: When we compute interest for *one* year at 6 per cent., we always multiply by 6 and divide by 100; therefore, dividing by 360 times 100, (36000) will give the interest for one day; and in order to save multiplying by 6, we divide by $\frac{1}{6}$ of 36000, which is 6000—multiplying by 6, and dividing by 36000, produces the same result as dividing by 6000. If we divide any sum by 6000, we obtain the interest on it for one day at the rate of 6 per cent. per annum, and that interest multiplied by any number of days, will be the interest for that number of days; but to avoid a loss in fractions, we multiply first and divide after.

COMMISSION.

COMMISSION is a sum charged by a person for doing business for another—for buying or selling goods, collecting or paying money, &c., &c.

Commission is always calculated by the 100, and has no reference whatever to time. 5 per cent. signifies \$5 for every 100, or 5 cents on every 100 cents, or 5 cents for every dollar. The calculation is the same that is required to find the amount of any number of articles at $2\frac{1}{2}$ or 5 cents each.

EXAMPLE 1.

What is the commission on \$2,805, at $2\frac{1}{2}$ per cent.? (Or, what will 2,805 books amount to, at $2\frac{1}{2}$ cts. each?)

(From transaction of Feb. 20.)

RULE.—Multiply the sum by the rate per cent., and divide the product by 100—that is, if the sum be dollars, cut off two right-hand figures; if the sum be dollars and cents, cut off four.

$\begin{array}{r} 2805 \\ \times 2\frac{1}{2} \\ \hline 70125 \end{array}$	$\begin{array}{r} \$2805 \\ 2\frac{1}{2} \\ \hline 5610 \\ 1402\frac{1}{2} \\ \hline \$70.12\frac{1}{2} \end{array}$
--	--

Commission on \$2,805, at $2\frac{1}{2}$

EXAMPLE 2.

What is the commission on \$4,314.27, at 5 per cent.?

(From transaction of March 14.)

\$4314.27
5
<u>215,71,35</u>

Commission, \$215.71.

INSURANCE.

INSURANCE is a sum charged for guaranteeing the safety of property from the dangers of sea or of fire. In case the property insured is lost, the insurers pay the value that it was insured for, to the holder of the policy.

A policy of insurance is a certificate or agreement which one receives from an insurance company, when he gets property insured.

Insurance is calculated by the 100, in the same manner as commission.

EXAMPLE 1.

What is the insurance on (or the premium for insuring) \$2,805, at 3 per cent. ?

(From transaction of Feb. 20.)

\$2,805	
3	
<hr/>	
84.15	Premium of insurance, \$84.15
<hr/>	
	Charge for the policy, 1.00
<hr/>	
	85.15
<hr/>	

It is customary, in insuring shipments, to insure for 10 per cent. more than the cost of the goods at the place where they are shipped.

What are called *open policies* are given by insurance companies to those who have frequently to get shipments insured. An open policy is a policy larger than the common, on which entries of property insured are made from day to day. A note is given to the insurance company for a supposed amount of premiums, and when the note becomes due, the amount of premiums is ascertained and deducted from the amount paid for the note, and the balance returned to the holder of the policy.

EXCHANGE.

EXCHANGE treats of the values of different moneys, and of changing sums of one kind of money to another kind without altering their values.

In some cases, foreign money should be calculated at its par or intrinsic value ; in others, at a premium, or at a discount.

The importer of an invoice of goods changes the amount of the invoice into his money at the par value, and credits the person from whom he received the goods for the same. But if he buys a draft, or bill of exchange, by which to make a remittance, he may then pay more or less than the par value of the sum for which the bill is drawn : this more or less is the premium or discount, which varies according to the trade between the two places. This premium or discount is called the *rate of exchange*.

TABLE.

		Nominal value.	Intrinsic value.
£1 stg. (20 s. or 40 sixpences).....	equals	\$4.44,4.....	\$4.84+
1 shilling.....	"	.22,2.....	.24+
6 pence.....	"	.11,1.....	.12
4 s. 6 d. (or 9 sixpences).....	"	1.00,0.....	1.09

EXAMPLE 1.

What is the par value, in dollars and cents, of £1,100 stg. ?

(From transaction of Feb. 13.)

RULE.—Multiply the pounds by 40, to reduce them to sixpences ; annex two ciphers, and divide by 9—the number of sixpences in a dollar ; the result will be dollars and cents.

$$\begin{array}{r} \text{£}1100 \\ \underline{40} \\ 9) \text{44000.00} \end{array}$$

\$4,888.89—value of £1,100 stg., at the nominal par value.

NOTE.—The present true or intrinsic value of £1 stg. is nearly \$4.84 ; but the old or former par value (\$4.44) is generally used in accounts. The \$4.44 was the par value of a pound sterling previous to the adulteration of the gold coin of the United States (1834,) and that nominal value continues in use, the difference being made up under the name of exchange or premium. When exchange on England is said to be at 8 or 9 per cent. premium in New York, it is in reality only about *par*—the premium being calculated on the \$4.44, the former value, instead of the present.

EXAMPLE 2.

What is the value of £20..10..6, in dollars and cents, at par ?

RULE.—Reduce the sum to sixpences, add two ciphers, and divide by 9. Thus—

$$\begin{array}{r} \text{£}20..10..6 \\ \underline{40} \\ 800\text{—sixpences in £}20. \\ 20\text{—} \quad \quad \text{in } 10 \text{ s.} \\ 1\text{—} \quad \quad \text{in } 6 \text{ d.} \\ 9) \text{821.00} \\ \underline{\text{\$}91.22} \end{array}$$

EXAMPLE 3.

What is the amount of a bill of exchange drawn for £500 stg., at 8 per cent. premium ?

(From transaction of Feb. 25.

RULE.—Calculate the value at par, as in example 1, and then add the premium.

$$\begin{array}{r} \text{£}500 \\ \underline{40} \\ 9) \text{20000.00} \\ \text{\$}2222.22 \text{ Value at par.} \\ 177.78 \text{ Premium.} \\ \underline{\text{\$}2400.00} \text{ Ans.} \end{array} \quad \begin{array}{r} \text{\$}2222.22 \\ 8 \\ \underline{\text{\$}2222.22} \end{array}$$

EXAMPLE 4.

I wish to invest exactly \$3,650, funds in my hands belonging to a correspondent, in a draft on New Orleans ; for what amount should the draft be drawn, supposing the exchange at 3 per cent. discount, to cost that sum ?

RULE.—Multiply the sum to be invested by 100, and divide by the number of cents you allow for \$1.

$$\begin{array}{r}
 \$3650 \\
 100 \\
 97) \overline{365000} (\$3762.88 \text{ Amount of the draft.} \\
 \quad 112.88 \text{ Discount, 3 \% off.} \\
 \quad \underline{3,650.00} \text{ Cost of the draft.}
 \end{array}$$

EXAMPLE 5.

The party that sold the above draft on New Orleans for \$3,762.88, at 3 per cent. discount, made merely this calculation :—

$$\begin{array}{r}
 \$3762.88 \\
 3 \text{ per cent. discount.} \\
 \underline{112.88.64} \text{ discount.}
 \end{array}$$

Discount on the draft \$112.88.

EXAMPLE 6.

I wish to invest exactly \$5,000 in a bill of exchange on Liverpool ; for what amount will the bill be drawn, to cost that sum—exchange at 9 per cent. premium ?

RULE.—Multiply the sum to be invested by 100, and divide by 100 with the premium, annexing two ciphers to obtain cents ; or, divide by the amount which you give for \$1.

$$\begin{array}{r}
 100 \quad \$5000 \\
 9 \quad 100 \\
 109) \overline{500000} (\$4,587.15 \text{ Ans. in dollars and cents.}
 \end{array}$$

Now change the \$4,587.15 to sterling : Multiply by 9 and divide by 40.

$$\begin{array}{r}
 \$4587.15 \\
 9 \\
 40) \overline{41284.35} \\
 \underline{\pounds 1032,11} \text{ Pounds and hundredths.} \\
 20 \\
 s. \quad 2,20 \text{ Shillings and hundredths.} \\
 12 \\
 d. \quad 2,40 \text{ Pence and hundredths.}
 \end{array}$$

£1032..2..2. Ans.

EXAMPLE 7.

Imported invoice of goods from Havre, amounting to 12,750 francs ; for what amount shall I credit the shipper in dollars and cents ?

RULE.—Multiply the francs by the par value of a franc—18 $\frac{2}{3}$ cents.

$$\begin{array}{r}
 \text{Fr. } 12,750 \\
 18\frac{2}{3} \\
 \hline
 102000 \quad \text{Fr. } 12,750 \\
 12750 \quad 3 \\
 \hline
 2295.00 \quad 5) \overline{38250} \\
 76.50 \quad \underline{76.50} \\
 \hline
 \underline{\underline{\$2,371.50}} \text{ Ans.}
 \end{array}$$

EXAMPLE 8.

Bought a bill of exchange on Havre for the amount of the above invoice (12,750 francs), exchange at fr. 5.30 : what shall I pay for the bill, in dollars and cents?

RULE.—Divide the amount of the bill by the number of francs and hundredths allowed for \$1, annexing ciphers to obtain cents.

5.30) 12,750.00.00(\$2,405.66 *Ans.*

NOTE.—It will be seen, by comparing this with the preceding question, that when the exchange on France is at fr. 5.30, it is at a premium ; because—

12,750 francs, at fr. 5.30, make	\$2,405 66
12,750 " at par (18 $\frac{2}{3}$) "	2,371 50
Loss by exchange. . . .	<u>34 16</u>

EXAMPLE 9.

Bought a bill of exchange on Paris, drawn for 14,062.73 francs—exchange at fr. 5.32 per dollar ; what will it cost ?

(From transaction of April 30.)

RULE.—Divide the amount of the bill by the amount of French money allowed for \$1, which, in this question, is 5 $\frac{32}{100}$ fr.

5.32)14,062.73.00(\$2,643.58 *Ans.*

EXAMPLE 10.

I wish to invest \$4,987.50 in a bill of exchange on Havana—exchange at 1 $\frac{1}{2}$ per cent. discount ; what amount will the bill be drawn for, allowing me $\frac{1}{4}$ per cent. commission for buying the bill ?

(From transaction of April 30.)

INSTRUCTION. Divide the amount to be invested by the number of cents allowed for \$1 (98 $\frac{1}{2}$ cts. are allowed for a dollar). If the exchange be 1 $\frac{1}{2}$ per cent. discount, for every 98 $\frac{1}{2}$ cents we get a dollar in the bill.

But as we charge $\frac{1}{4}$ per ct. commission, we add that to the 98 $\frac{1}{2}$, which makes the divisor 98 $\frac{3}{4}$.

.98.75)4,987.50.00.00	(\$5,050.63
The bill will be drawn for.	\$5,050 63—which
At 1 $\frac{1}{2}$ per cent. discount.	75 75
Will cost.	<u>4,974 88</u>
Add our commission, at $\frac{1}{4}$ per cent.	12 62
Making the sum we wished to invest.	<u><u>4,987 50</u></u>

EQUATION OF PAYMENTS.

EQUATION OF PAYMENTS, or averaging, is a calculation to ascertain at what date several sums, due at different dates, may be paid in one payment, so that neither payer nor receiver may gain or lose in time or interest.

An equation of payments is proved by a calculation of interest ; for the interest on the sums due before the average date, should equal the interest on the sums due after.

The following examples, it is believed, embrace all the different cases of averaging—beginning with the simplest.

EXAMPLE 1.

Sold merchandise to Mr. Austin as follows ; when is the amount due ?

Ans. May 21.

May 6, bill of.....	\$50 00
" 9, "	75 00
" 15, "	80 00
" 27, "	120 00
" 30, "	150 00

RULE 1.—To find the average date of the preceding bills : *Multiply each sum by the number of days from its date to the date of the first sum, and divide the amount of the products by the amount of the sums.*

Thus—	\$50	×	0	=	0
	75	×	3	=	225
	80	×	9	=	720
	120	×	21	=	2520
	150	×	24	=	3600
	<u>475</u>	÷	)	7065	(15 days after May 6.

If these sales to Mr. Austin were at 6 or 4 months' credit, the 4 months' credit on the total would begin at May 21.

EXAMPLE 2.

Sold merchandise to Mr. Harris as follows ; when is the total due ?

May 10, bill of.....	\$40 00	×	0	=	0
" 15, "	65 38	×	5	=	325
" 27, "	90 50	×	17	=	1,530
" 30, "	120 40	×	20	=	2,400
June 6, "	50 20	×	26	=	1,300
" 20, "	110 90	×	40	=	4,400
" 25, "	148 00	×	45	=	6,660
	<u>\$625 38</u>		625)	<u>16,615</u>	(26 ds. after May 10.

The total falls due June 6, that being 26 days after May 10. *But if there had been a credit of 4 or 6 months on these bills of goods, then the credit would begin on June 6, and the amount be due 4 or 6 months after that date.*

EXAMPLE 3.

Sold merchandise to Mr. Sims on the following dates and credits ; when will the amount be due ?

July 1, bill at 3 months,	\$400	×	94	=	37,600
" 5 " 4 "	500	×	128	=	64,000
" 10 " 4 "	500	×	133	=	66,500
" 20 " 6 "	1500	×	203	=	304,500
Aug. 10 " 3 "	200	×	133	=	26,600
" 20 " 60 days,	100	×	113	=	11,300
Sept. 15 " 90 "	250	×	168	=	42,000
	<u>3450</u>	÷	)	<u>552,500</u>	(160 days after July 1.

This case differs materially from Examples 1 and 2, because the sales are on different terms—one being at 4 months, another at 3 months, &c.

RULE.—Multiply each sum by the number of days that it will be due, counting from July 1 (the date of the first sum), and divide by the amount of the original sums; the quotient will be the number of days after July 1, that the amount will be due. The multiplier (128) in the above calculation is obtained thus:—

From July 1 to the 5th,.....	5 days.
4 months,.....	120 "
Grace,.....	3 "
	<hr/> 128 days from July 1,

128 days from July 1,

that the \$500 has to run before due.

EXAMPLE 4.

Calculation of averaging the account sales rendered to Mr. Harris, March 30, copied from page 189:—

	TERMS.		CALCULATION.
March 23.....	cash,	\$3,000	$\times 0 =$
" 26.....	60 days,	2,400	$\times 66 = 158,400$
" 27.....	60 days,	500	$\times 67 = 33,500$
" 27.....	cash,	700	$\times 4 = 2,800$
" 28.....	3 mos.,	1,250	$\times 98 = 122,500$
		<hr/> 7,850	
Less charges.....		235	

Divide by net proceeds..... $7,615 \div$) 317,200 (41 days after
March 23—equal to May 3.

RULE.—Multiply each sum by the number of days that it wants of being due, counting from the first date (March 23), and divide by the net proceeds; the quotient will be the number of days that the proceeds will fall due after the date averaged from—March 23.

EXAMPLE 5.

Calculation of averaging the account sales rendered to Mr. De Nones—copied on page 188:—

	TERMS.		CALCULATION.
March 3.	cash,	\$ 456	$\times 0 =$
" 4.....	60 days,	175	$\times 64 = 11,200$
" 4.....	cash,	300	$\times 1 = 300$
" 9.....	90 days,	150	$\times 99 = 14,850$
" 10.....	cash,	1,233	$\times 7 = 8,631$
" 10.....	4 months,	2,000	$\times 130 = 260,000$
		<hr/> 4,314	
Less charges.....		783	

Divide by net proceeds..... $3,531 \div$) 294,981 (84 days after
March 3—equal to May 25.

RULE.—Multiply each sum by the number of days from the first date (March 3) to the date when it will be due, and divide by the net proceeds; the quotient will be the number of days after the first date (March 3) that the net proceeds will be due.

NOTE.—Dividing by the net proceeds, as above, extends the time in proportion to the charges which we consider due March 3—the date we average from.

But supposing the charges due much before or after that date, we should then multiply them by the number before or after, and add the product to, or deduct it from, the dividend to be divided by the net proceeds. If the charges were due before the date we average from (March 3), the said dividend should be increased; if after, decreased.

If we divide by the total sales, we must put another item among the charges, viz.: interest on the amount of the charges from the date they average due up to the time total sales average due; which method is not truly averaging the account, but averaging a part of it and charging interest on the rest.

EXAMPLE 6.

When is the balance of the following account due?

Dr.		JOHN SIMS.		Cr.			
1858.				1858.			
June	1	To amount due us this date.....	\$700 00	May	1	By amt. due him this date.....	\$500 00
						By bal. due Aug. 17.	200 00
			700 00				700 00

RULE.—(Always calculate from the date of the larger side, calling that the debt and the other side the payment on account of it.) Multiply the sum of the smaller side by the number of days that intervene between its date and the date of the larger side, and divide by the balance of the account; the result will be the number of days before or after the date of the larger side, that the balance will be due.

31 days from May 1 to June 1.

500 from credit side.

Balance..200) 15,500 (77 days after June 1; equal to Aug. 17.

For the reason that the \$500 was paid 31 days before the debt was due (June 1), the balance (200) does not become due until 77 days after June 1. Or thus: If one pays \$500, 31 days before it is due, how long ought that to extend his credit on \$200?

Ans. $\frac{200}{500}$ of 31 days, which is 77 days.

EXAMPLE 7.

When is the balance of the following account due?

DR.				FRANCIS F. RIPLEY.				CR.	
1858.					1858.				
Jan.	15	To Merchandise, at 6 mos	\$500 00	Mar.	10	By Cash	\$200 00		
Feb.	20	To " at 6 "	300 00	Apr.	30	By Cash	300 00		
Mar.	30	To " at 6 "	400 00	June	1	By Note due Aug. 1	500 00		
Apr.	20	To " at 6 "	300 00						
						Amount due June 5.	1000 00		
						Bal. due Feb. 27/59.	500 00		
Amount due Sept. 2. . . .			1500 00					1500 00	

Average each side of the account separately (as shown in example 2), to find when the total of each is due ; the account will then be in situation of example 6.

RULE.—Multiply the amount of the smaller side by the number of days that intervene between the day on which it is due and the day on which the larger side is due, and divide the product by the balance of the account ; the quotient will be the number of days that the balance will be due *after* or *before* the date of the larger side.

89 days from June 5 to Sept. 2.
1,000 amount of credit side.

Balance \$500) 89,000 (178 days after Sept. 2 ; equal to Feb. 27.

The amount of the debtor side is due Sept. 2 ; the \$1,000 on the credit side was paid on account of the \$1,500, 89 days *before* it was due ; therefore the balance of \$500 will fall due 179 days *after* Sept. 2. Or, if \$1,000 is paid 89 days before the debt was due, how long ought that to extend the credit on the \$500 still owing ?

Ans. $\frac{1000}{1500}$ (or $\frac{1}{1.5}$) of 89 days—equal to 178 days.

EXAMPLE 8.

When is the balance of the following account due ?

DR.				RAUL HARRIS.				CR.			
1858.					1858.						
Jan.	8	To Mdse. due March 12.	\$325 00	Jan.	22	By Note due Mar 12	\$325 00				
Mar.	20	To Cash	2000 00	Mar.	18	By Cash	2000 00				
			5,925 00	"	21	By Merchandise...	1187 50				
Apl.	30	To Balance due Apl. 22.		"	30	By net proceeds due					
		1858	4994 87			May 3	3807 37				
			7319 87				7319 87				

Average, separately, both sides of the account, in manner of Example 5. The debtor side (\$2,325) will be due March 19 ; the credit side (\$7,319) will be due April 11. Thus, then, we owe Mr. Harris \$7,319, due April 11 ; on which we have paid him \$2,325, due March 19—leaving a balance in his favor of \$4,994. Now, as we paid him \$2,325, 23 days *before what we owed him was due*, it follows that our credit on the balance should be *extended* in proportion as the amount paid is to the balance owed ; that is, $\frac{2325}{7319}$ of 23 days *after* April 11=Apl. 22.

PROFITS AND LOSSES.

EXAMPLE 1.

Bought an article for \$5, and sold it for \$6 ; at what rate per cent. was the gain ?

RULE.—Multiply the gain or loss by 100, and divide the product by the cost

$$\begin{array}{r} \text{Gain} \dots\dots\dots \$1 \\ \hline 100 \\ \text{Cost} \dots\dots\dots 5) \quad 100 \text{ (20 per cent. Ans.} \\ \hline 10 \\ \hline 0 \end{array}$$

EXAMPLE 2.

Bought 50 chests Tea for \$4,725, and sold the same for \$4,866.75 ; at what rate per cent. was the gain ?

(From transaction of April 27.)

$$\begin{array}{r} \text{Sold for} \dots\dots \$4,866.75 \\ \text{Cost} \dots\dots\dots 4,725.00 \\ \hline \text{Gain} \dots\dots\dots 141.75 \\ \hline 100 \\ 4,725.00) \quad 14175.00 \text{ (3 per cent. gain. Ans.} \end{array}$$

EXAMPLE 3.

Sales of merchandise the last four months amount to \$24,619 ; the cost \$21,056 ; what per cent. is the profit ?

$$\begin{array}{r} \text{Sales} \dots\dots\dots \$24,619 \\ \text{Cost} \dots\dots\dots 21,056 \\ \hline \text{Gain} \dots\dots\dots 3,563 \\ \hline 100 \\ 21,056) \quad 3563.00 \text{ (16.92} \\ \text{Ans. Sixteen and } \frac{92}{100} \text{ per cent.} \end{array}$$

EXAMPLE 4.

Sales of merchandise this year amount to \$55,660 ; supposing the profits average 12 per cent., how much is the gain ?

RULE.—Multiply the amount of sales by 100, and divide the product by 100 with the rate per cent. added ; the quotient will be the cost, which deducted from the sales will give the gain.

$$\begin{array}{r} \$55,660 \\ \hline 100 \quad \$55,660.00 \text{ sales.} \\ 112) \quad 55,66000 \quad (\quad 49,696.43 \text{ cost.} \\ \hline \hline 5,963.57 \text{ gain.} \end{array}$$

THE END.

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